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P. K. Norris.

Senior Marketing Specialist,

Sairo, Egypt.

Hovember 27, 1931.



The following cable was sent to shington today:-

"Cotton area Gezira 178,000 feddans stop Grop satisfactory stop Improvement reported due to a change in rotation see page 70 my Sudan report last with stop Estates along Wile report good crope stop General outlook Judan much better then last year stop Changing conditions necessitates further investigation before final conclusions."

The grop area of 175,000 feddans referred to in the cable is only approximate. The exact figure as taken from the official statement of the Chairman of the Swian Plantations Symicate, made October 28, 1931, should be 174,800 feddans. The cotton area of the Gezira last year was 175,413 feddans and the year before 174,183 feddans.

tion of the Gezira. This area known as the Northern Extension was opened in 1939 and completed in time for the present crop. The fact that the 1931-32 acreage is equal to that of the past two years is due to this new development. Without this expansion a loss of 30 to 30 percent of area would have resulted from the change of the system of crop retation.

Prior to 1931-32 the three-year rotation in practice was cotton.

first year, lubia (compeas) and durra (grain sorgum), second year, and
the land was allowed to lay falles the third year. The present system
is also a three-year rotation and the same except that during the second
year the durra and lubis are climinated and the land is allowed to lay
fallow for two years in place of one. This has resulted in the native
farmer giving up the growing of his feed crop adjoining cotton land. The
feed crop is now grown in an area set aside for this purpose and each native has a fixed amount of the area for his feed crop. The result is that

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of great manufact at their partition or attention or

the small fields of compose and grain sorgum are not scattered over the entire country as under the old system.

This change is due to experiments conducted by the Sudan Government in which it was found that the white-fly is a carrier of the infection causing the disease known as "leaf-crinkle". This fly fed upon the lubia and then moved on to the cotton. By the consolidation of lubia in one block it is hoped to suggests it and then confine the fly to the lubia.

Another reason for the change in the old system of rotation was the desire of the authorities to allow the land to lay follow two years instead of one. It has been found that the disease known as "black-urm" is less on land that has been follow for two years than on land having a one-year follow period.

This change in crop rotation will no doubt work a hardship upon the native because he will be required to travel considerable distance from his home to his feed crop but if it controls these two diseases it will be worth the extra trouble.

Several hard rains were reported during July and August, or the cotton planting season. From the best information available at the present time it appears that growing conditions since September have been ideal and that disease, while present, is not expected to do the damage that it did last year. There is now a feeling in the Sudan that the low yields the last two years have been due to temporary causes.

Personally, I am of the opinion that last year was probably one of the poorest years from the standpoint of yield that might be expected. However, I doubt that in the face of the black-arm and leaf-crinkle the sountry will again enjoy yields equal to those prior to 1926 for many years. I doubt very seriously if Sakellaridis is the variety best ad-

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edapted to the Gezira soil. The possibility of changing to an upland cotton has been discussed but I do not care to make the prediction at this time that a change will be made. Since writing the report on my visit to the Sudan last winter I have come to the conclusion that there are factors that should be considered further before final conclusions. I merely submitted the report last March as a preliminary one made from a trip of only 30 or 40 days in the country. The Sudan last year was at the greatest disadvantage of any year since the reaccupation of the country. In order to get a fair impression I believe that it is necessary to put in further study especially in the Gezira and the rain grown area of the Maha Mountains. (I did not get to visit this area last year because of the rainy season.).

The private estates along the Nile River north of Kartoum are not very important. Any change in this area will be in direct relation to the price of cotton. The flood area of Tokar and Kassala will remain more or less constant from your to year. These areas may be depended upon for from 80,000 to 75,000 feddans animally. The two unknown factors I feel in cotton production in the Sudan is solving the disease problem in the Gezira and the expansion of the rain grown area of the Muba Mountains.

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SUDAN COTTON G ING SO ITIOES.

P. K. Norris,

Senior Tracting Specialist,

Ciro, Lypt,

Wovember 30, 1931.

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Cotton planting is complete in the flood areas of Toker and Fiscala but no Government statement is available as to the number of fedd as planted this season. Owing to the fact that a large percentage of the area does not receive sufficient water to carry the crop to maturity the Government will probably not issue a report of the effective area for two or three months.

The flood at Kassala arrived the first week in July and lasted until the latter part of August. In the Tokar area several flushes ran in July but through August the flow was continuous. Approximately the same areas in both districts were flooded this year as last year.

Daring the 1930-31 crop about 60,000 feddans of the Tokar area and 37,938 feddans of the Kassala area received sufficient water to carry the crop to maturity.

A heavy rain was reported in the Gesira area south of Kartoum about planting time. Ollowing such rain much of the area is often under water for long periods. No reports as to the acreage of cotton planted or the condition of the growing crop of the various sections of the country has been released by the Government. However, the report here from unofficately indicates that the present condition of the Gesira crop is considered favorable.

The rain grown districts of southern Sudan are reported as having

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season to book on the party provides in all others away not not

good crop prospects. It is estimated that the acreege of the Torit and eridi districts have been increased this season. The last report received places the 1931-32 acreage at 6500 feddans as commend with 4950 feddans for these two districts last year. It is the general impression in cotton circles in gypt that the Sudan Government is turning more attention to the production in the rain groun districts than in years past. In a few of these areas in Southern Sudan the natives were permitted last year to gin and market their crops over the line in Uganda.

Very little information as to areas under cotton and condition of growing crop may be expected from Government sources prior to Juntary 1.

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General Meeting

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Remarks by the

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P.E. Morris, Senior Marketing Specialist Cairo, Mgypt.

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At the general meeting of the Kassala Cotton Company, held in London on October 28, last, the chairman presented a report dealing with the financial situ tion of the Company.

It will be recalled that this Commy is a sub-idi ry of the Sudan Plantation yndicate and is operating in the north section of the Gezira area. 1929-30 was the first yer of operation of this company in the Ceziro. It was previously growing cotton in the flood area north of Kassala in the Kass la rovince. Thi concession -s giv n up, however, in favor of the lands granted by the government in the Gesira. The first year of operation, 1929-30, in the egira area gave a yelld of 4.45 kentars per fodd a from an area of 15.548 feddans. The following year, or last year, (1930-31) the are was increased to 20,605 feddans but the average yalld for feddan dropped to 1.85 knaturs per feddan. This walld was in common with the walld of the Sudan Plantation Tyndicate operating in the same rea. This the yill for 1929-30 was above that of the Syndic to it may be explained by ying that 1929-30 was the first year cotton was grown on this particular land. A full report of the meeting of the Kassala company as recorded by the Sudan Daily Hareld of November 1 , 1931 is a follo s:-

athe (adjourned) i hth Ordinary General Seting of the members of the Massala Cotton Company, Limited, was held on the 28th October at inchester Fouse, London-

The Hon. A. J. Assuith, D.S.C. (the chairman) presided.

The Secretary (Mr. .O. Simms) having rold the notice convening and the auditors' report,

The Cheirman said: Gentlesen, - ince I ddressed you in may last year we have suffered a very heavy loss in the death of Sir Frederick Eckstein, who took a leading art in the for-

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and the support of the control and first believes at time or in section what he of extires of an electrical particular and and the publishers for the printing of the Alexandra and A posts on all present posterior of the contract the property of the country that the property of the country of th AND PROPERTY OF THE PARTY OF TH the state of all others well than the state of the countries are - which safet to over a seek which we present that we alway a seek at the state of th ℓ Service of the servic patron of building of the 17 according to a case specimen building CALLEGATION THE RESIDENCE AND RESIDENCE AND ADDRESS OF THE PARTY ADD principles as the part of the part of the same of the the bearing the part of the pa

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form tion and guidance of the company.

lord Levet and Sir Sera rd akatein, who have since been appointed directors, have both of them experience of the udan and of the problems with which we have to deal, and we are fortunate in having obtained their collaboration.

Owing to the change in our financial year the accounts now before you are for the period of 18 months anded June 30 last.

PERFECT OF LEASING

IN COURT AND DAY AND A PARTY AND ADDRESS OF PERSONS NO. 101-101-101

In the balance-sheet you will see that during this period we redeemed and concelled a further \$13,500 of our debentures. This means that in all \$71,000 has been concelled to date, as against the \$13,500 which under the terms of the debentures we have so far been under obligation to redeem.

The discount at which we were able to buy the debentures, and which appeared in last year's balance—sheet under the heading of "Pebenture Redemption everye occupat" now amounts to \$5,613.48.66., and we have transferred this sum to "Dezira les rve Account". This amount we have bet blished towards the amoritization of such part of our errenditure upon development and canalization in the Dezira as is not otherwise recoverable during the period of our concession.

"Talance of xpenditure in respect of the Commencion in the Tash Delta" has been reduced by receipt of instalments from the Sudan Government from about 4509,518 to about 4481,798. Capital expenditure in the Sexira since the date of our last seconds amounts to about 45,600. This will fairly evenly spread between camplication development and buildings on the extension of our area reported last year.

UNROLD ECOCKS

figure is arrived at by making a voluntion based on the market prices of September 30 last of the stocks then held unsold and on actual selling prices for cotton sold between June 30 and September 30.

British Government securities at or below current market prices figure at \$22,800 ms against nil in our last accounts. Cash - \$13,464,12s,104, as against \$139,307,14s,1d. In our last accounts, of course, we had no stocks of cotton, and the reduction of cash resources is des mainly to advances to tenants and to the stocks of cotton which we now hold. Out of 16,185 bales of the 1929-1930 crop, we had sold at June 30 \$1,962 bales, and out of the 8,227 bales of the 1930-1931 crop we had sold at June 30 nil. Conditions in Lancashire and in the world generally during the past 18 months have made the marketing of our cotton exceptionally slow and difficult. Since the end of June

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the progress of sales his been rather more encouraling.

PROFIT AND LOSS ACCOUNT

In the profit and loss account you will see that before charging Debenture interest the profit amounted to 445,118,18s,11d., and that after deduction of Debenture interest it amounted to 45,445,3s,11d. This, with the carry-forward, gave us 444,365,15s,4d., and we regret very much that in the circumstances this cannot be drawn upon for dividends. Instead, it has been necessary to reserve-128,651 against advances to ten ats, and 43,710 against depreciation of British Government securities.

The \$33,551 represents a reserve "inst advances to temants for the growing of the 1929-30 and 1930-31 cross, which owing to poor prices and last year's low yield, the tentate re un ble to repay. If we have average crops and better prices in the future we hope to be able to recoup ourselves in a rt or in whole for the loss now incurred.

These reserves reduce the credit balance to 413,103,15s,1d, which we rece and should be carried for rd.

Our financial year, as you know, has been changed so a to coincide with the agricultural sea on, so that from now on the profit and loss account will live clearer licture of the year's results.

can while the present profit and side the rofits 'ro the cotton crop of two seasons, and on the otor side only 18 mates of expenses - the previous six months of expenses h via tend to the it in the rofit and los account to become 31,1939. On the other hand, the reserve against alwances to the interior reserve two whole seasons.

Continuin the Chairman wid, in regard to inevit ble "cut " a tribute to the loyal spirit in wich these were receive by the st ffs abroad and at home.

CROPS

Now regarding crops. Last season we only inked 1.87 hadre per fedden, as against 4.45 kantars for the previous season. This yield was much less than one would have guessed in "ebrumy hen I visited the area, and this shows one hew dagerous it would be to make any predictions about the resent rowing crop.

Our latest cable from the "udan, which is dited October "6, indicates that, while "blackers" is present firly energly as a secondary infection, "lesf-crinkle" is a yet slight.

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THE RESERVE TO SERVE THE PERSON NAMED IN COLUMN TWO IS NOT THE PERSON NAMED IN COLUMN TO SERVE THE PER

φυνομικόν μεταγή το πολομού (π. 1900). - Ευρουμένη το Ευρουμένη (π. 1900). - Ευρουμένη το Ευρουμένη (π. 1900). - Ευρουμένη (π. 1900).

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The same

The lezira has been visited by exceptionally heavy of locusts this year, but they do not like our cotton, not there has been no damage worth mentioning.

On the subject of "blackerm" and "leaf-crinckle" ich so the cause of last senson's disappointing yield, hade ill do the measures which have been adopted to could these sests - seures which have already even estisfaction, but cannot be expected to produce their maximum effect in the first r in of their a lie tion. Tope disappointed by the fall in cott morices and last year's low yield were also intion do in conclusion the Thairman said:

inally, gentlemen, our man ser, r. Teming, and our staff abroad and at home h we not a red themselves, and we can only hope that the time may soon come when their of orts and your patience will be remarded by better yilds and him rarioss.

The report and accounts were unanimusly adopted.

The retiring directors were re-elected, the auditors were reasonated, and the meeting closed with a cordial vote of the table to the directors.

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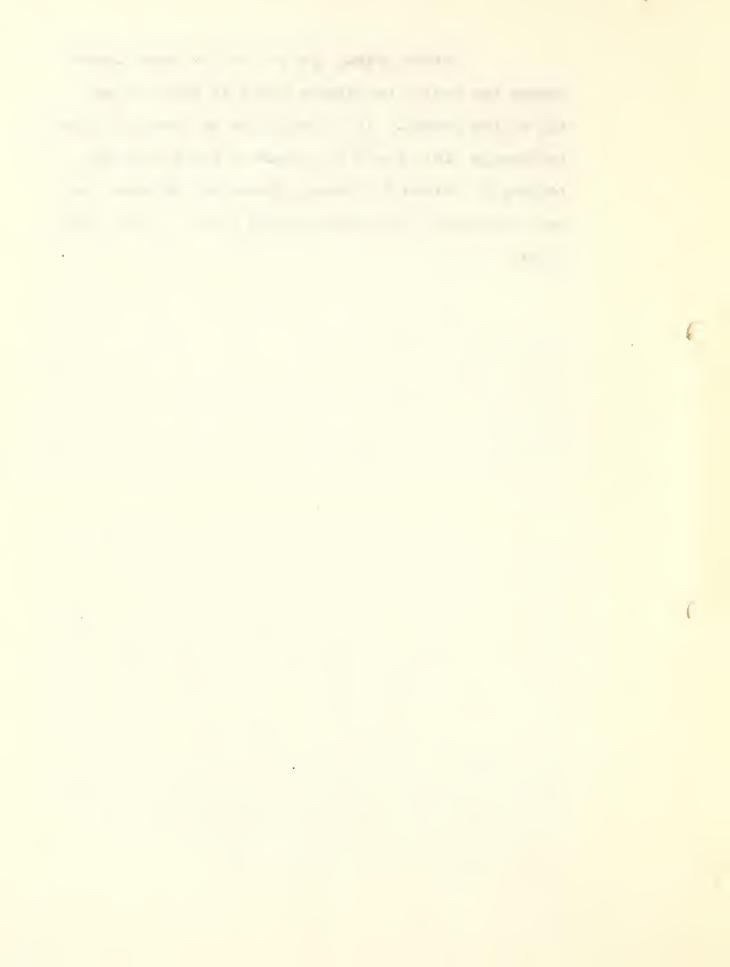
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Carry-ov r Sept. 1, 1930, Season's errivals	1,476,205	1,718,090	100,270	169,598			
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^{1.} B. - It is to be noted that the und-of secon revision will necessarily ontail some modification of the above figures.

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EDITORIAL CONNENTS BY EGYPTIAN NEWSRAPERS REGARDING THE SUDAN

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P. K. Norris, Senior Marketin, Specialist, September 4, 1931. entrole entrole entrole estate plants of the entrole e

of the udan and the sitish Nice Comissioner, rearding he udan effeir (this report is not available in Maypt at this tile) has cause a good deal of editorial coment by the papers.

Many of the papers known as favoring the wakfs Part are making political capital cor ain parts of the report especially that dealing with Inc. ootton roving area of the G zira. In an ditorial dated Septembe 1st 11 al uh, a native ar bic paper, states that the British would like to soll their interests in the Cezira school to the Mantians. It is also pointed out that the construction of a dam at Bebel Awalia, by the Lyptian Coverment for the purpose of supplying Egypt with me or water would also be used by the Sudan Covernment to bring under irrigation a lurge aspunt of land located seste of the hite Mile. It is altogether lively that if such a dam was constructed it would provide not only water necessary for Lgypt's steer cultivation but would also sup ly water for additional land in the Sudan. The cotton of the Sudan requires water from Leptember to April while the cotton of Egypt

substitute of the contract of there were a pink it of an error NAME OF REAL PROPERTY AND PARTY AND PARTY. contract we at species and to be of property and In the State of the case of the same of the case of th the second property of the second second second the second secon SHIEL SHIP HERE AND REAL PROPERTY AND ADDRESS OF THE ARREST Address followed a commence and real in more 12 and and the American and the Control of the state of the same of the s the state of the s

requires water from April to Septe ber. By utilizing the dam the year around, it is therefore possible that such a plan could be worked out. While a data debel Awalia would ensure Egypt's supply of sumer water, it might also open up additional area in the Sudan. The Layptians take the post tion that they have rather to do without the supply of water mental this dam than to face the competition coming from new area opened in the Sudan. The editorial referred to above is as follows:

"The Governor-General of the Sudan in his report recently published in London addits in plain words that the Gezira Scheme has proved a failure, that there is no hope of its success and that therefore it should be regarded, on the whole, as a liability to be liquidated radually. The Governor-General further states that the failure of the Gezira scheme has completely changed the financial question in the Sudan.

"Our Lond correspondent learns that the Governor-General has a complementary opinion to the se declarations which opinion is not announced in his report, namely, to transfer the Gezira Scheme and the Makwar Da to Laypt. This important information announced by the Governor-General In his report confirms the several rumours which hithorto have been circulated about the failure of agriculture in the Gezira and also confirm the fact which w s previously unknown to the Ln lish that the soil of the Gegira is unsuitable either for agriculture or for irrigation. Hence the Gezira Scheme has been definitely destined to failure and Sir John Loader Maffey, the Governor-General of the Sudan, has been at last obliged to declare that the Schene should be regarded as a liability to be liquidated.

"It can therefore be said that all hopes which the English had attached to the Gezira sche e have been frustrated and all the loney which they had spent on reclamation and on the construction of

the Hadwar dam, amounting to something in the neighborhood of twenty million pounds, has been wasted. It is not, however, improbable that Sir J. L. Maffey should think, as our London correspondent states, of transferring the Gezira Sche and the Takwar dan to Egypt 1.e. of selling them to Egypt in consideration of a su of money equal to the amount of loss sastained by the English. For Egypt is, in their view, a mileh cow which should pay losses when there are losses but which should be turned away when there are profits or when there is a distant likelihood of any profits to be forthcoming. Is it therefore, strange that the En lish should urge E ypt to bonstruct the Gobel Awlia dam in the hope that the Sudan may find in it and in the lands lying to the West of the White Nile a scheme to compensate the lakwar dam? And is it there ore. strange that the English should find in get in Hgypt to construct he Gebel Awlia da at the present tie, a romedy for this failure and its bitter effect on English financiers and Imperialists? And is it therefore strange that the English should ind in the construction of the Gobel Awalia da at the present time a means b, which to save the Sudan and the Sudanese from the danger threatening them, seeing that if the said dam is constructed, the Sudan Government will get about two million pounds as compensation for the land which will be submerged with water from the dam and Egypt will spend in the Sudan a large sum of money which, according to the estimates of the present Egyptian Ministry of Public Works, will not exceed three million pounds but which, according to reliable authorities, will amount to over soven million pounds?

"This is the Sudan for the remention of which they broke down negotiations with the Typtian official delegation last summer thereby delaying the settlement of the Lyptian question.

"It is to be wondered what they think now of the Sudan and of turning away the Eryptians from it. Do they consider that the question was one of financial exploitation and that the failure of this exploitation necessitates now that they should change their policy with regard to the Sudan? Or do they consider that the question was not only one of financial exploitation but was also one of establishin, an empire in the heart of Africa and so will insist on their policy? The reply to these questions cannot be known now but will be known in the comin days.

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and the company of the property and the property and I'm months of the state of the state of the state of mention made only to sell a direction of a pitter A DESCRIPTION OF THE PROPERTY the state of the s of these appropriate in the legal to the the larger being which the filler will be the fill a sure with the The state of the s District of a partie of the contract of the best total When I have been been some than the contract of the contract of the first of the first term and tendence at the are the place to the force of the president to seek and the same of th taking and their real laws there a stationage of all orm of our all a limit a life of some party her horse, gooding that the real little orders, work and matrix per come pay the present and seek and mode in appropriate for one long and will be and the same the same and the same and the St. Commission of the American St. Albertain mark bonne ini after mean datal a mediatra District of the state of the st minimum and the common ways a firm of the confidence of

"That E ypt should buy the Gozira scheme and the Makwar da is a ratter which it is advisable for the English not to think of before they think of evacuating the Sudan."

A different view of the Sudan report is taken by the All Ahram in an editorial of entaber 1st. This paper points out that wille the Gezira is not a success under the present manage ent that it would be successful if the Egyptian fellah (peasant far er) were allowed to cultivate the land. There is a good deal of doubt as to whether the Enyptian fellah would be induced to the Gezira even if he was allowed to take over the whole scheme. This is only one of the any difficulties that will have to be overcome. in order to brin about a chan e fro the native of the Sudan to that of the Exyptian. Thile this paper is nor wild in its coments on the Sudan question it nevertheless stands firm on the proposition that the Sudan should be a part of E ypt. This no doubt explains its object in wanting to colonize Egyptians in the Gezira area. If Exypt were able to use the Sudan as an outlet for its increasing population, it would have a strong ar ument for complete control. The editorial is as follows:

between Egypt and the udar a relationship which cannot be severed. And it will be superfluous if

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The authorities in Kartoum can today look at their work in the Sudan during the last thirty years with satisfaction. Financial equilibrium has replaced bankruptey and a reserve fund has legur to accumulate to be a guarantee for unforseen circu stances."

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This meansthat the disired balancing cannot be attained unless the average yield per feddan amounts to from four to five kantars. The Gezira land cannot now ive this yiel. he average yield last year range between three and four kantars and this is the highest average yield of land in the Judan. In districts other than the Cezira he yield falls to three kantars at Dongola, Lerber and hartoul and come kantar at lokar, lordofan, Kadaret and lassala.

There is no doubt that the sending out of E pptian troops from the Eudan has added considerally to the financial crisis which is nowleing experienced in the Eudan. Fi larlythe sw. of L.s. 750,000 which

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Senior Tarke ing Specialist, September 4, 1931.

The annual report of the Governor-General of the Sudan and the British High Commissioner, regarding the Sudan affairs (this report is not available in Egypt at this time) has cause a good deal of editorial comment by the papers.

Many of these papers known as favoring the Wakfs Part are making political capital from certain parts of the report especially that dealing with the cotten growing area of the Gezira. In an editorial dated September 1st Al Bala, a native arabic paper, states that the British would like to sell their interests in the Gezira scheme to the Egyptians. It is also pointed out that the construction of a dam at Bebel Awalia, by the Egyptian Government for the purpose of supplying Egypt with summer water would also be used by the Sudan Government to bring under irrigation a large amount of land located Weste of the White Nile. It is altogether likely that if such a dam was constructed it would provide not only water necessary for Egypt's summer cultivation but would also supply water for additional land in the Sudan. The cotton of the Sudan requires water from September to April while the cotton of Egypt

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requires water from April to September. By utilizing the dam the year around, it is therefore possible that such a plan could be worked out. While a dam at Gebel Awalia would ensure Egypt's supply of summer water, it might also open up additional area in the Sudan. The Egyptians take the position that they have rather to do without the supply of water from this dam than to face the competition coming from new area opened in the Sudan. The editorial referred to above is as follows:

"The Governor-General of the Sudan in his report recently published in London admits in plain words that the Gezira Scheme has proved a failure, that there is no hope of its success and that therefore it should be regarded, on the whole, as a liability to be liquidated gradually. The Governor-General further states that the failure of the Gezira scheme has completely changed the financial question in the Sudan.

"Our Lond correspondent learns that the Governor-General has a complementary opinion to these declarations which opinion is not announced in his report, namely, to transfer the Gezira Scheme and the Makwar Dam to Egypt. This important information announced by the Governor-General In his report confirms the several rumours which hitherto have been circulated about the failure of agriculture in the Gezira and also confirm the fact which was previously unknown to the English that the soil of the Gegira is unsuitable either for agriculture or for irrigation. Hence the Gezira Scheme has been definitely destined to failure and Sir John Loader Maffey, the Governor-General of the Sudan, has been at last obliged to declare that the Scheme should be regarded as a liability to be liquidated.

"It can therefore be said that all hopes which the English had attached to the Gezira scheme have been frustrated and all the money which they had spent on reclamation and on the construction of

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the Madwar dam, amounting to something in the neighborhood of twenty million pounds, has been wasted. It is not, however, improbable that Sir J. L. Maffey should think, as our London correspondent states, of transferring the Gezira Schem and the Makwar dam to Egypt i.e. of selling them to Egypt in consideration of a sum of money equal to the amount of loss sustained by the English. For Egypt is, in their view, a milch cow which should pay losses when there are losses but which shouldbe turned away when there are profits or when there is a distant likelihood of any profits to be forthcoming. Is it therefore, strange that the En lish should urge Egypt to honstruct the Gobel Awlia dam in the hope that the Sudan may find in it and in the lands lying to the West of the White Nile a scheme to compensate the Makwar dam? And is it therefore, strange that the English should find in getting Egypt to construct the Gebel Awlia dam at the present time, a remedy for this failure and its bitter effect on English financiers and Imperialists? And is it therefore strange that the English should find in the construction of the Gebel Awalia dam at the present time a means by which to save the Sudan and the Sudanese from the danger threatening them, seeing that if the said dam is constructed, the Sudan Government will get about two million pounds as compensation for the land which will be submerged with water from the dam and Egypt will spend in the Sudan a large sum of money which. according to the estimates of the present Egyptian Ministry of Public Works, will not exceed three million pounds but which, according to reliable authorities, will amount to over seven million pounds?

"This is the Sudan for the remention of which they broke down ne otiations with the Egyptian official delegation last summer thereby delaying the settlement of the Egyptian question.

"It is to be wendered what they think now of the Sudan and of turning away the Egyptians from it. Do they consider that the question was one of financial exploitation and that the failure of this exploitation necessitates now that they should change their policy with regard to the Sudan? Or do they consider that the question was not only one of financial exploitation but was also one of establishing an empire in the heart of Africa and so will insist on their policy? The reply to these questions cannot be known now but will be known in the coming days.

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"That Egypt should buy the Gezira scheme and the Makwar dam is a matter which it is advisable for the English not to think of before they think of evacuating the Sudan."

A different view of the Sudan report is taken by the All Ahram in an editorial of September This paper points out that while the Gezira is not a success under the present management that it would be successful if the Egyptian fellah (peasant farmer) were allowed to cultivate the land. There is a good deal of doubt as to whether the Egyptian fellah would be induced to the Gezira even if he was allowed to take over the whole scheme. This is only one of the many difficulties that will have to be overcome, in order to bring about a change from the native of the Sudan to that of the Egyptian. . While this paper is more mild in its comments on the Sudan question it nevertheless stands firm on the proposition that the Sudan should be a part of Expt. This no doubt explains its object in wanting to colonize Egyptians in the Gezira area. If Egypt were able to use the Sudan as an outlet for its increasing population, it would have a strong argument for complete control. The editorial is as follows:

"It is no new thing to say that there is between Egypt and the Sudan a relationship which cannot be severed. And it will be superfluous if

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"Sir John Maffey states in hisreport:

"Best calculations show that if the feddan of land yields ten pounds the Gezira Scheme will be self-supporting and will not be in need of annual subsidies either from the Government's normal administrative revenue or from other sources. But if the yieldis less than ten pounds it is unavidable to expect a constant struggle to reconcile between receipts and expenditure and to balance the Budget.

This meansthat the desired balancing cannot be attained unless the average yield per feddan amounts to from four to five kantars. The Gezira land cannot now give this yield. The average yield last year ranged between three and four kantars and this is the highest average yield of land in the Sudan. In districts other than the Gezira the yield falls to three kantars at Dongola, Berber and Khartoum and to one kantar at Tokar, Kordofan, Kadaret and Kassala.

There is no doubt that the sending out of Egyptian troops from the Sudan has added considerably to the financial crisis which is nowbeing experienced in the Sudan. Similarly the sum of L.E.750,000 which

The second the control of the and the cook to the control of the c ellis, masse de la compania del compania de la compania del compania de la compania del la compania de la compania del la compania de la compania de la compania del la compania de la compania del la compania de As the said the said of the sa ್ರಾರ್ಡ್ , ಆರ್. ಸ್ವಾಧಿಕ್ಕಾರ್ ಅಂತ್ರಾಕ್ ಚಿತ್ರವೇ ನಿರ್ವೇ ಗ್ರಾಹಿಗೆ ್ರಾಮ್ ಎಂದು ಮುಂದು ಕಾರ್ಯದಲ್ಲಿ ಕ್ರಾಮ್ ಪ್ರಾಮ್ ಪ್ರಾಮ red stories and substitute of a series of # Pradiction of the property of the second factor of the property of the prop the state of the s الروعيد في ١١٠ الأهر من في ١١٠ الله و المدادي و المدادي و The Company of the Co ·Standard Land Lilling

ભાગત અને ઉત્તર કરવા હતા. તેશ. દે વાંદો, જાયદાગાલ સાથે કે છે. કા a ordina lastifica da afili da activida of multiplication of a solutions of the contraction entropie de la companya de la final de la companya and in the interest of the second of the sec ورځزي او او او او او او او

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SUDAN CO. DITIONS

Pl K. Morris, Senior Larketing Specialist, August 31, 1931.



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the Hi h be incioner in evidently white concerned about the balancing of the udges of the concerned about the balancing of the udges of the concerned. In his recent report to whos the rollowing compacts

"Confidence in Mar Cavira bottom action with which the properity of the Coverner ment is a cloudly bound up her best to normal la median, outly min or do slum in Plus, and relative own to the a loubt was to the wallity or the worldarea to produce eron postiaul sal saloude at my an elees un hijer that has the time are utiline cocce The to dire to ten my concervally for may years have to be regard 1 on the walls as a limility to be liquidle by annual west to not only from wire t records a rubitule to the school to n so in the lower int's cornal ac initizativa revorts. Under the so elrowstation the substitute of the children of the in the ner fittur will be the slack of de budget, del fiture mat de vu fu de for such minim, room ont capital enorth up to is a suitely war to lare

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Des ite the nee for drastic retrenchment, however, the point has not yet been reached where we must abruptly lo er the standards of administration. Loreever, it would be unsound to base calculations on two bad years and ignore the fact that the average result of the bole period of the Gezira scheme had been such as to justify the anticipation of a fellouificient to make it self supporting.

There is some runours cin around in

Egypt that the British stock-helders of the Judan

Plantation Syndicate, who operate the Gezir growing scheme, are anxious to get out with as much of their original investment as possible. Just how they propose to do this has never been explaine.

in the Sudan are very anxious that the ptian Government resume its work of Gebel El Awaliya dam. This project, locate 30 miles South of Chartoum on the hite Nile was started by the Typtian Government several years ago but dropped because of political reasons. The business men in the Sudan feel that if work is started on this project a ain, conditions would improve in the Sudan that would afford employ ent for a large number of workment, and thus stimulate business.

There is some aritation in gypt for this project. The Price Winister a few days are made a statement that if the money was available or could be

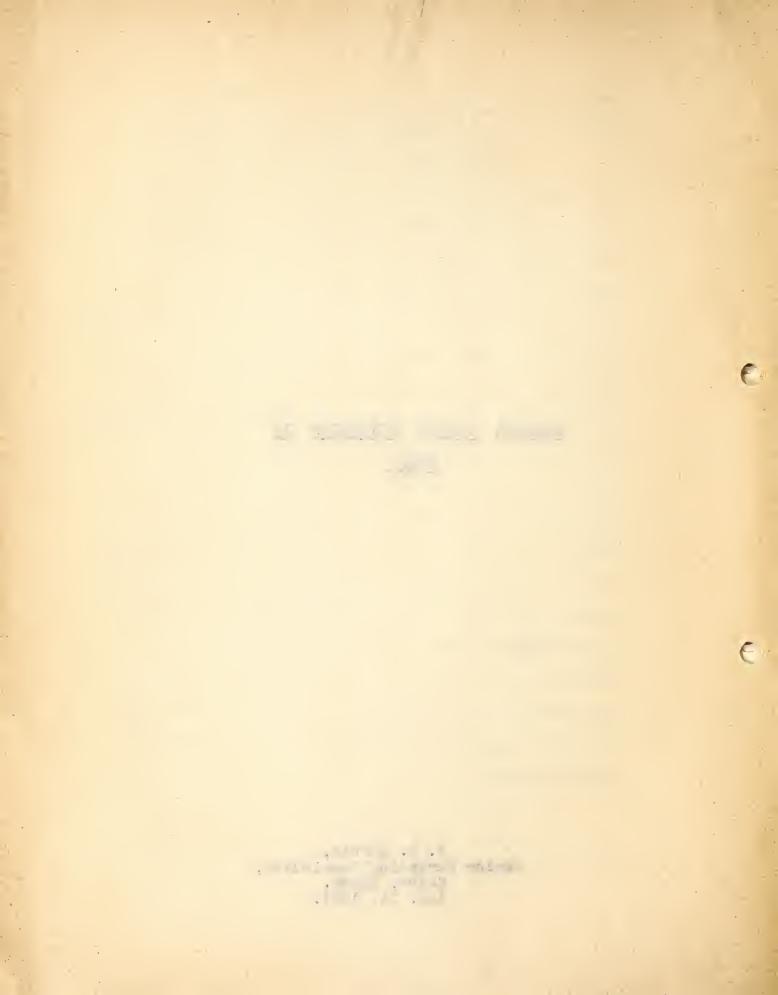
secured, he thought it would be a good thin, for agent in order to ensure her future mater swelly.

In reporting trip into the Juder last obruary, I pointe out that the moducion of cotton in the Cezira, under present conditions, would likely ecrease or the next several years. Lince February conditions have been growing worse and it no a pears that y description of the ordinions prevailing in the ud n a rather ild. he Covern ent h a disclar e or re ue the salarie of practically all its clarks and subordinate of icials. It has also reduce the allo ance of its senior officials and in many cases have retired oun who otherwise would comin in the service. The whole uda is not only suffering from the resision but it is also suffering from the rapid and uncerranted growth since 1925. This expansion washare or falso hopes that Is 20-cent catten and 5 kenters yield. Terchants and busines en in the Sudan are having reat difficulty in adjustin the selves to the fict that these conditions will not exist again for many years at least.

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GENERAL COITON SITUATION IN

P. K. Norris,
Senior Harketing Specialist,
Cairo, Egypt,
Aug. 11, 1931.



After closing hours yesterday I sent the following cable:

"Action Egyptian Government fixing minimum for trading one dollar kelow Saturday closing resulted in no market today stop Further action expected."

The Above situation is due to the expected drop in the market caused by the U.S. Department of Agriculture estimate of the American crop. This estimate was received here about 6 P.M. Saturday. Sunday the Prime Minister called a meeting of the President of the Exchange and the Government Commissioners. The question of the Alexandria Market would do was discussed. In view of the drop of the Chicago market it was thought the Alexandria Market might drop 200 points if allowed to open Monday without a minimum limit. The members of the Exchange held a meeting late Sunday and as a result of this meeting the Government fixed a low limit of \$1.00 under the last closing.

The Exchange opened for business Monday but no trading took place.

The enclosed from the Egyptian Gazette of August 11, points out the situation. It is serious.

The Official Communique published by the Government Augus t 3, declares that no more cotton will be sent abroad on consignment, and that no more sales will be made unless it is to the interest of the trade and then only grades not to be found on the open market.

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The latest "dope" on the Russian sales is that 17000 bales were sold a short time ago and are now being exported.

I am of the opinion that the Egyptish Government Officials are sorry that (if they have the interests of the country at heart) they agreed to sell a fixed amount of cotton each year. They were told by English spinners such a statement of policy would help the market but since that time it has gone down each month and they now see that the sale of 500,000 kantars will be a big factor in depressing an already weak market. While they have called on the U. S. A. to make a statement of policy, a few of them feel we will be wise if we do not make a statement binding ourselves to sell a fixed arount at a fixed time. A few of them now feel they would like to be free to sell when they think the market is right and sell any amount they can. Under the present plan it will take about several years to sell the present stocks. If conditions should improve they might want to sell a larger amount during a given year than they agreed. As one man said they are wondering if the "English did not talk them into something." It is charged here that the Officials agreed to this "English Spinners Policy" hoping to keep on good terms with the English until the pending Egyptian questions are settled by a favorable treaty. This may not be true but it is known that the present Government is very anxious to get a favorable settlement and this night be one way of doing it.

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AVERTING A COTTON PANIC.

BOURSE COMMISSION FIXES MINIMUM.

BUSINESS AT STANDSTILL.

DEALINGS "IN THE STREET."

In order to avert a panie in the Cotton Market, following upon the publication of the American Bureau production estimate, which exceeded average expectations by 1,500,000 bates and occasioned a fall of 137 points in the Chicago Cotton Exchange, the Alexandria Bourse Commission decided yesterday morning, at the instigation of the Government and in the exercise of powers vested in it by Article 11 of the Reglement General des Bourses des Marchandises a terme, to limit the decline at yesterday's session to 100 points below Friday's closing quotations for all deliveries of Sakel and Uppers.

The Bourse Commission is curpowered, in exceptional circumstances such as those obtaining in the present instance, to fix minimum prices day by day during a period of three trading days. To extend the period Government authority is re-

quired.

The effect yesterday of this action was to fix November (Sakel) delivery at \$11.82 and October (Uppers) delivery at \$7.82, but, naturally, business was virtually brought to a standstill.

OFFICIAL COMMUNIQUE.

The following communiqué was issued

yesterday:-

Following the Government communiqué published on August 1, giving the total of their cotton stock up to July 31, and the one published on August 3 announcing the decision taken to stop the sale of cotton taken from the undermentioned stock and in order to make its intention clear, the Government declares that:—

1) The 5000 bales consigned at Liverpool form the only consignment sent abroad by the Government this year. The Government will not send any more cotton to Liver-

pool.

2) The study of the measures which should be taken by the Government for the disposal of its cotton within the limits already mentioned in the communiqué of August 3, does not imply that these measures will be put into force as soon as the study is terminated, but, on the contrary, their application may be postponed, if necessary.

The Government takes the opportunity of declaring that the most explicit instructions have been given to suspend sine die all sales of their cotton. The exception mentioned in the communiqué of August 3 in favour of local consumption applies for the strict needs of the textile industry of the country. No sales will be made to the industry unless it is clearly shown that the cotton demanded is indispensable in order to avoid the interruption of its work and that the qualities demanded are not to be found on the market.

The sales of cotton to Soviet Russia with the obligation of immediate export are considered as not being of a nature to affect the market, but on the contrary to bring relief to it, and the Government reserves all liberty to examine any offers presented by Russia and to deal with

them if necessary.



ABNORMAL CONDITIONS.

MARKET DISTRUSTS ATTEMPTS AT CONTROL.

The gloomy outlook of the cotton market received another severe—setback on Saturday last, when official figures regarding crop condition and probable production were released by the Crop Reporting Board of the United States Department of Agriculture. The condition, which was 74.3 per cent, of normal, forecasted a total production of 15,584,000 bales, which compares with 11,362,000 bales at the same time last year. This was decidedly bearish, exceeding previously supposed reliable calculations by several houdred thousand bales. It had been generaly believed that the estimate would be around 14,000,000 bales, whilst less optimistic views considered that 14,200, 000 would be nearer.

The collapse of the Overseas Markets would naturally have its repercussions on the Alexandria Cotton Exchange, in view of the fact that the latter market reflects closely the movements in the leading foreign Exchanges. For this reason, the Egyptian Government thought it advisable to summon an urgent meeting, which was attended by the President of the Bourse Commission, Mr. Jules Klat, and the two Government delegates, A. Goldstein Bey and Hassau Kamel Effeudi. This meeting, which took place on Sunday afternoon, decided on the fol-

lowing relief measure being taken with a view to putting a check to the disastrons effect which the American bumper production forecast would have on Egyptian cotton values. As a first step, it was thought indispensable to fix minimum prices for the various options, which would be the basis of dealings for operators in the ring. These minima which were fixed at one dollar below Friday's elosing quotations, were as follows:--

SAKEL:

11.00

November Entures

11.02
12.18
12.53
12.85
7.39
7.82
8.11
8,35
8.66
8.88

Naturally, this decision on the part of the Government led to confusion in the ring, as the minimum prices tixed are much above parity differences, if the market were to follow its normal course by adopting the American Production Estimate as a basis of transactions, Consequently, business on the local Cotton Exchange was completely at a standstill, with the exception of three transactions executed at the opening, divided among the November, March and December options. These were of very small dimensions, however. The abnormal conditions on the Futures Market resulted in courplete paralysis of business at the Minetel-Bassal Bourse also, as exporters were loth to accept the prices fixed by the Bourse Commission as a basis for price-

fixatious.

It is believed by a large section of the market that the decision to fix minimum prices for cotton transactions carries with it no weight, as long as the Government does not intervene as a buyer at the price fixed. Whilst no official business was done yesterday, transactions "in the street" were fairly brisk, and it is estimated that between 15,000 and 20, 000 kautars changed hands during the The basis at which this outside business was done at the opening was 11.50 for November, and 7.50 for October, being 32 and 32 points respectively be. low the figures fixed by the Government (November 11.82; October 7.82). Fluetnations then followed closely the movements on the Liverpool Cotton Exchange, communicated here at short intervals through the expeditious system of wireless transmission recently installed at the Alexandria Cotton Exchange, Operators here, anticipating a weaker tendency, carried out dealings, at the close, at 11.15 for November and 7.22 for October. It is contended, moveover, that Government interference in the present case, will be very detrimental to the cotton trade, and it is rumoured that the Egyptian Government has the intention of establishing a fixed premium of 60 0/0 for Sakels and one dollar for Uppers as a parity basis with American growths, But, as present indications show that the crop this year is very likely to exceed the probable consumption, and, having in view the large holdings of the Farm Board and Co-operative Societies, it is difficult to see how, with the speculator disgruntled by Government interference, and the trade in its present parlous state, this year's crop is to be marketed, without considerable easing in prices.

The present slump in cotton values has reduced the yalue of the Government's holdings to the extent of approximately

one milliou pounds.



COTTON MARKET.

FUTURES.

Monday, August 10.

After an erratic session, the New York market closed 1 point lower for New Crop delivery on Friday, but 11 points were regained on Saturday on pre-Bureau covering and a fair measure of support from trade sources. The Bureau Report, estimating 1931/32 production at 15,584,000 bales, was issued after the New York close but resulted in a collapse of 137 points in the Chicago Exchange. Here the estimate, which exceeded average private forecasts by 1 1/2 million bales, caused something in the nature of a panic and the market would unquestionably have broken considerably further this morning but for the decision taken by the Bourse Commission to limit the decline to a maximum of a dollar for all deliveries. The opening quotations (November 11.82; October 7.82) accordingly showed losses of precisely 100 points in both Sakels and Uppers. After a few small exchanges—mainly of a purely professional character—at these levels the session was virtually suspended.

Liverpool opened 95 penny points lower for Americans, discounting a break of 13/4 Cents, in New York, and 88 and 93 points lower for Sakels and Uppers respectively. Later cables recorded a slight improvement, but quotations at the time of the close here showed uet falls of 83 points for Americans, 90 points for Sakels and 89 points for Uppers.

TO-DAY'S PARITIES.

It should be noted that the following parities are purely nominal owing to the stabilisation of prices here.

October New York October Alexandria	6.8.12 \$7.82	Discount Alexandria 30 points
November Sakel Liverpool November Alexandria	5.73d. \$11.82	Premium Alexandria 36 points
November Uppers Liverpool October Alexandria	4.30d. \$7.82	Discount Alexandria 78 points
November Alexandria October Alexandria	\$11.82 \$7.82	Premium Sakel New Crop 400 points

N.B.—The New York quotation is that of Saturday's close. The Liverpool quotations are the latest to hand before to-day's close here. The Alexandria quotations are those of to-day's close.

SPOT.

Business in this department was paralyzed almost entirely to-day by the stabilization of Futures values, exporters being unable to accept the ruling quotations as a basis for price-fixations.



File

INCREASE WATER SUPPLY

P. K. Norris, Sonior Marketing Specialist, August 8, 1931.

File

THE PLANT

The Ministry of Public Works through its

Irrigation Department announces that the water supply

of the Wile is steadily increasing. On August 4, the

discharge of the Nile at Caire was 67 million cubic

neters and on Tednesday, August 5th it increased to

75 million cubic meters and on Thursday, August 6th

to 87 million cubic meters. The Irrigation Officials

expect mud water to arrive at Caire Friday, August 7th.

The increase from August 4th to August 6th amounts to 20 million cubic meters. It is felt here that there will be no further serious water shortage this season. However, the cotton in the Lower Pelta will still require a great deal of water.

Corn and other surer and fall crops will also draw heavy on the increase supply.

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P. K. Korris, Senior Marketing Specialist, August 8, 1931.

April 200

The Kind of Egypt on August 6, 1931, issued a decree approving the sale of the stock of the New Agricultural Bank, established under decree No. 50, November 18, 1930.

The object of the new Bank is to meet the financial and agricultural needs of the country by advancing loans to cooperative societies and to small farmers, to enable them to produce and market their crops to the best advantage. Short-time loans will be for a period not to exceed 14 months but loans for the purchase of Agricultural machinery, live-stock and improvement of agricultural lands which includes the construction of canals and drainage ditenes may be made for a period not to exceed ten years. If, however, the loans made for the improvement of lands result in a public benefit, these loans may be made for a period not to exceed 20 years. All loans are to be secured by a first mortgage.

The capital of the new bank is L.E.1,000,000 represented by 250,000 shares of L.E.4 each. The subscription of the capital is divided as follows:

The Egyptian GovernmentL.I	.500,000
The National Bank of Egypt"	200,000
Bank Misr"	100,000
Credit Foncier Egyptien"	100,000
Deutsche Orientbank, A.G"	23,500
Credit Lyonnais	10,000

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Brought forwardL.E.9	33,500
Land Bank of Egypt"	10,000
Ottoman Bank	5,000
Banque d'Athenes"	5,000
Banque d'Orient	5,000
Comptoir Nat. d'Escompte de Paris"	5,000
Banco Italo-Egiziano "	5,000
Barclays Bank (D., C. & O.)	5,000
Banque Belge et Internat. en Egypte "	5,000
Banca Cormer. Italiana per l'Egitto"	5,000
Compagnie du Gaz (Leion & Cie)"	5,000
Mosseri & Cie	4,000
Credit Foncier d'Orient"	3,000
Ionian Bank"	2,500
Caisse Hypothecaire d'Egypte	2,000

Total E.1,000000.

The bank is governed by a Board of not less than twelve directors or not more than sixteen. The Government will be represented on a board in proportion to each capital stock. The present Board consists of the following:

Chairman: Mahmoud Shukry Pasha.

Members: Ahmed Abdel Wahab Pasha, Galal Fahmi Bey, Abdel Hadi Mohamed Bey, Abdel Hamid Badawi Pasha, Mohamed Allam Pasha, Gallini Fahmy Pasha, Hassan Mazloum Pasha, Mr. H. R. Brereton, Dr. Fuad Sultan, M. E. Minost, Hassan Said Pasha and M. M. Lascaris.

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The full text of the Royal Decree issued August 6, 1931, is as follows:

We. Fued I. King of Egypt. Seeing the preliminary articles of a eccuation. drawn up at Cairo on June 25, 1931, and at Alexandria on June 29, 1931, between the followin :- The Riptis Government, the National Bank of Egypt, Danque Misr, Credit Porcier Ugyptien Deutsche Orlenthank A.G., Crollit Lyonnais, Land Bank, Sengue d'Athenes, Danque d'Orient, Comptoir National d'Escompte de Paris, Banco Italo-Fgisiano, Ber lay's Bank (Dominion Colonial and Overseas). Banque Belge et Internationale en Egypt, Banca Comerciale Italiana per l'Egitto, Compagnie dur Gaz (Lebon and Cie.) Mosseri & Co., Credit Foncier d'orie t, Ionian Back and Caisse Hipothecaire d'E ypte: Seeing Decree Law No.50 of Hovember 18, 1930;

Sceing Article No. 40 of the Native Commercial Code and Article No. 46 of the Mixed Commercial Code;

And on the proposal of Our Minister of Finance and the advice of Our Cruncil of Ministers:
Decree:

Fank of Fgypt, the Par que Misr, the Credit
Foncier Egyptien, the Deutsche Orientbank A. G.,
the Credit Lyonnais; the Land Bank of Egypt,

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the Ottoman Bank, the Danque d'Athemes, the Banque d'Orient, the Compteir Mational d'Escompte de Paris the arco Italo-Egi iano, barelays Bank (D.C.&O.)

Budue Delge et Internationale en Egypte, Basea

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Anon a under the name of "Crett Agricole d'appte" are e' right to emform to the large of sustains of the country as well as the status of which a copy, signed a thrir signatures, is a rected to this decree.

inticle 2. The present anthonism of given to the said Meleje Atonyme does not in ply either responsibility, dnopol, nor rivilege on their part or on that of the State.

Article 5. Tur Pinister of Finance is energed with the enscution of this decree.

Signed at Nontage Pelaco, July 20, 1031.

DCY.TI COTTON AC ELGS LLPO I

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P. L. Norris,
Senior Tarketing Specialist,
Cairo, gypt.
August 7,1931.



The Official Report of the Govern ent places
the 1931 k yptian Cotton Acreage at 1.682.938 feddans.
The acreage last year was 2.082.420. This is a rejuction
of 379.482 feddans. The area of each of the leading varieties
is reported as fellows:

17		
Varioty !	L 9 3 1	1930
Sakel	478.579	857.344
Ashmouni & lagora!	758.643	936.134
Pil10n	157.477	124.254
Maarad	110.958	66.193
Mahda	53,252	25.108
Fuadi	39.610	32.987
G1za.3	37.510	36.316
G12a.7	34.710	5.329
Casulli	6.060	9.491
Sakha 4	3.959	T one day and any
Others	2.180	9,354
Total	1.682.938	2.082.420

A real reduction is noted in the Eakel acreage this year. While the Ashmouni and Zagora is less it is not as outstanding as that of Sakel. It will be noted that Giza 7 shows an increase of about 30,000 feddans over 1930. Most of this is said to be in Upper Egypt and is therefore replacing the

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the all ouniand agora varieties. The increase of Larad, and the other longer state varieties is largel, in the sultawhere the takel area was listed by decree to 40, of the acrea, o.

and with the water shortage over or out of danger a good field is expected. Private estimates place the total crop at 1000 7.250.000 to 7.500.000 kantars.

. 4 A 6 6 EGYPTIAN GOVERNMENT COTTON

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SPours

P. K. Norris, Senior Marketing Specialist, August 5, 1931.

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The Egyptian Government through the Ministry of Finance has issued a statement giving the amount of cotton controlled by the Egyptian Government, on July 31st of this year.

According to this statement, there is in warehouses at Alexandria 2,559,439 kantars (324,450 bales); in Liverpool the Government has stored 36,450 kantars (5,000 bales); at interior points and in transit to Alexandria there are 369,308 kantars. This is a total of 2,965,147 kantars.

This statement was issued in answer to the criticism of the local press regarding the sales of cotton.

It was charged by many local newspapers that the Government was disposing of its stocks without replacing them. The Government answers that it has replaced kantar for kantar and that it is only for cotton that could not be obtained on the local market in Alexandria. The replacements are coming from cotton on which the Government had made advances to growers and are now foreclosed. As proof of the Government's position it is stated that on May 21st last, the Government had on hand 2,982,002 kantars which is but a small amount in excess of its present holding.

The local exporters are very much opposed to the Government announcement that this cotton will be stored in European ports and main centers. As far as

the transfer of the state of th

I am able to learn this opposition is based on the fact that local merchants and warehousers will receive nothing in the way of rent and commissions on this quantity if it is moved out of Egypt. It is a pure business proposition to them.

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COTTON DESCRIPTION PRODUCTS

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FORE	2,50s	2,765
.02aC1	8,700	8,210
2011	8,800	6,950

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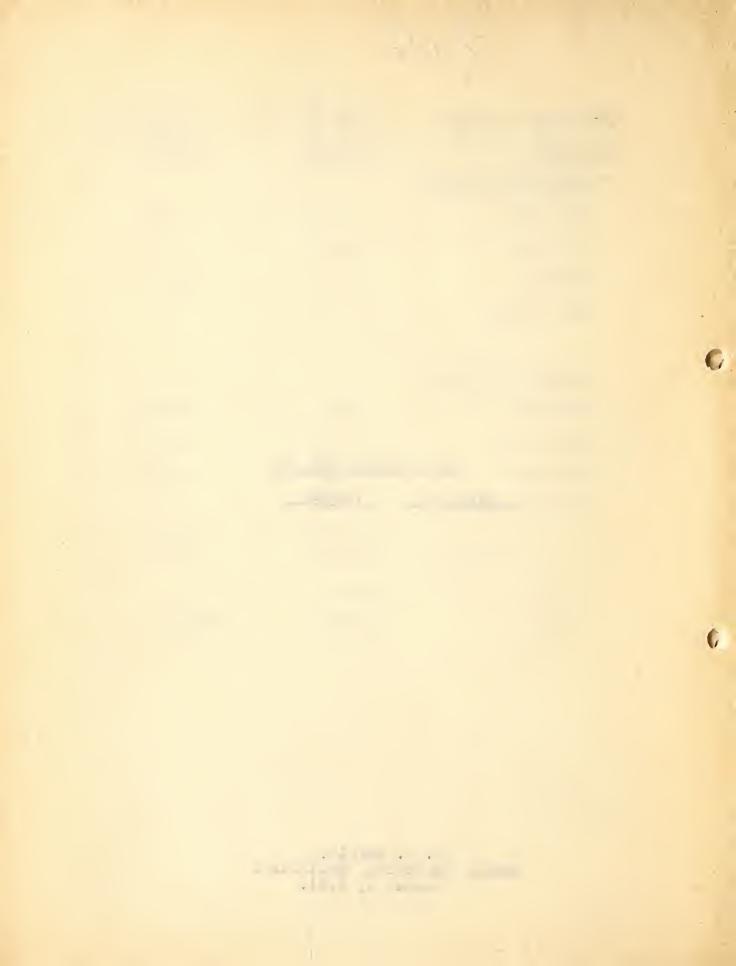
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The Ministry of Finance has sent a questionaire to the inspectors and governors of the various provinces of Egypt. This questionaire has to do with the financial condition of the small land-owner and the tenant farmer.

The Government is very much boncorned at the present til e re ording the conditions under which its orricultural morrors are producing the current crops. It is my observation that the condition of the agricultural worker of Mayot, could not be much below its present state. I am also of the opinion that his wolfar does not depend upon the reice received for his cotton, an ordinarily rets a tire extended and nothing more in the your's work. Hovever, the Giver on is for the lirst line interesting itself in the soldi ion of the writer he tills the soll. Heretofore, all discussion on the Jeono ic condition and the reference and to the farmer include only the owners of the land and not the rea the actual; work the soil. Those porl law has been mor or let the property of the lead, the live in their villes a ich are mult on the land owner by some non-residents the they never think of byin off the land.

The study, the Government is a tempting, will include such question as the influence of the present crisis on the ten of farmer, the shall bed-owner, the

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and the state of t was all a second and the second secon and the second s and the same and the same of the same of the same of A THE RESIDENCE OF THE PARTY OF AND REAL PROPERTY AND REAL PRO The same of the sa The second secon personal leaf and the control of the

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medium land-owner and the large land-owner. Also the credit facilities of the local banks and the local money-lenders will be studied in connection with the present debt of the individual farmer. The Government is also investigating the question of whether or not the present level of cotton prices will affect the future production of cetton in Egypt.

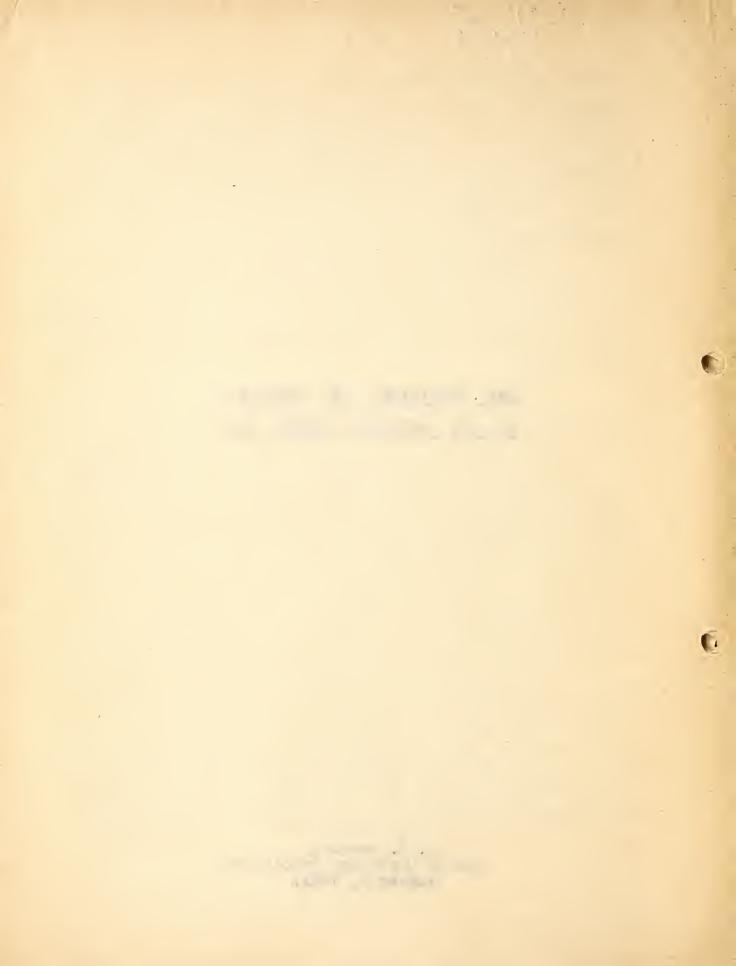
A good deal of loney has been advanced by the Government this year for cotton production and at the present time they are interested in the prospects for collection of these loans.

circumstances that he is compelled to sell his maize and other Dod crops in order to pay the money-lender who has extended credit during the previous year. The Government will also investigate this phase of the situation. The time alloted for this study expires on August 15th but I am of the opinion that no results will be published for at least 12 months. The Government may decide that such a report would be of very little value and would therefore not publish the information gathered. I shall make an attempt after August 15th to secure at least a summary of this study. As far as I know, this is the first time the Egyptian Government has interested itself in a country-wide study of the economic conditions of the diet farmer.

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OF 19 LOYELIN COUNTY

fuguet 5, 1951.



Agriculture, has issued a report on the condition of the cotton crop during the first half of July 1931. While the condition is considered generally favorable it is also admitted that posts and water shortage are causing some trouble.

The report in full is as follows:

ceather conditions

"Heat was severer than it had been during the latter part of last month. To a great extent, it accelerated growth as sell as flower and poll formation.

hater

Inadequate to some canals, especially at the tails, pring to shorters and cultivators effecting share it irrigation prior to permission of same. Such difficulties were evercate in places where artism water was eviloble as also in region were cultivators adherent efficial instructions by refraining from shared watering.

Pests

Cotton ora:

Infestation by cotton-worm becare much less grave in Upper Lgypt and in the Southern part of the Delta. It di unished in Dakehlia, Southern Gharbia and Dehera owing to several causes which are mainly hot weather, Non-early sharuqi watering and non-cultivation of rice in the Northern regions. It is, however, still severe in late-sown areas in horthern Charbia and beheirs where moisture is a stimulant. Matching took place in some odd localities causing some damage therewith. Great effort was made in this season for collecting and destroyin, egg-masses, otherwise much damage might have occurred.

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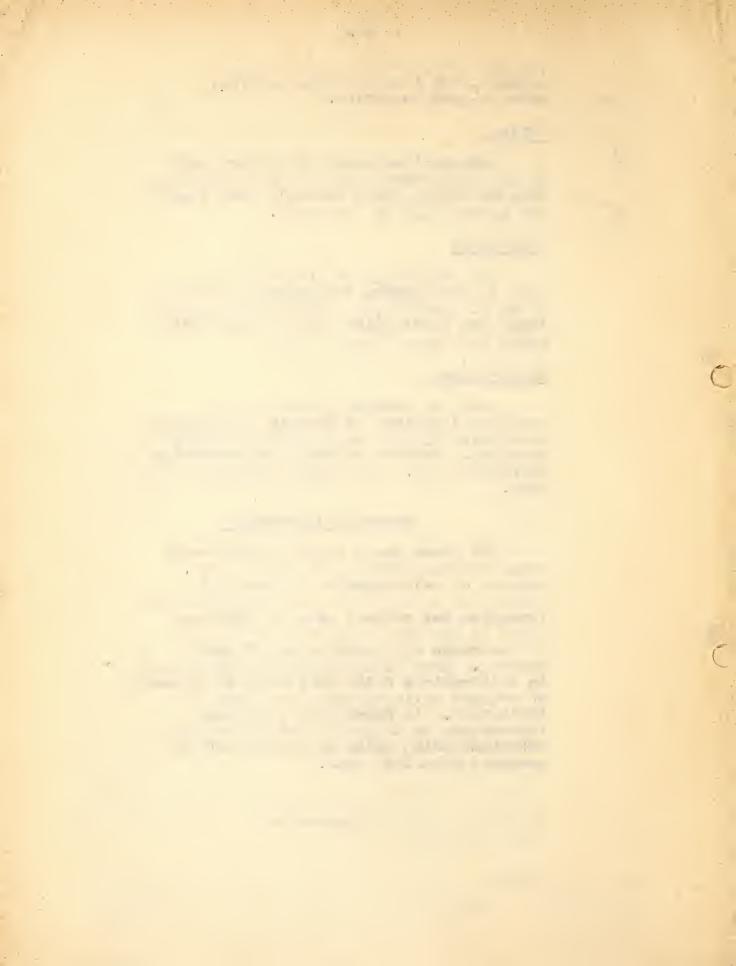
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ECHPTIAL COVERNAMI COLION STOKE

P. K. Morris,
Senior Marketing Specialist,
August 5, 1981.

The Egyptian Government through the Ministry of Finance has issued astetement giving the amount of cotton controlled by the Egyptian Government, on July 31st of this year.

According to this statement, there is in warehouses at Alexandria 2,559,439 kantars (324,450 bales);
in Liverpool the Government has stored 36,450 katars
(5000 bales); at interior points and in transit to
Alexandria there are 369,308 kantars. This is a total
of 2,965,147 kantars.

This statement was issued in answer to the criticism of the local press regarding the sales of cotton. It was charged by many local newspapers that the Government was disposing of its stocks without replacing them. The Government answers that it has replaced kantar for kantar and that it has only sold cotton that could not be obtained on the local market in Alexandria. The replacements are coming from cotton on wich the Government had made advances to growers and are now foreclosed. As proof of the Government's position it is pointed out that on May 21st last, the Government had on hand 2,982,002 kantars which is but a small amount in excess of its present holding.

The local exporters are very much opposed to the Government, storing this cotton in European ports and mill centers. As far as I am able to learn this opposition is based on the fact that local merchants and

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warehousers will receive nothing in the way of rent and commissions when sold if it is moved out of Egypt.

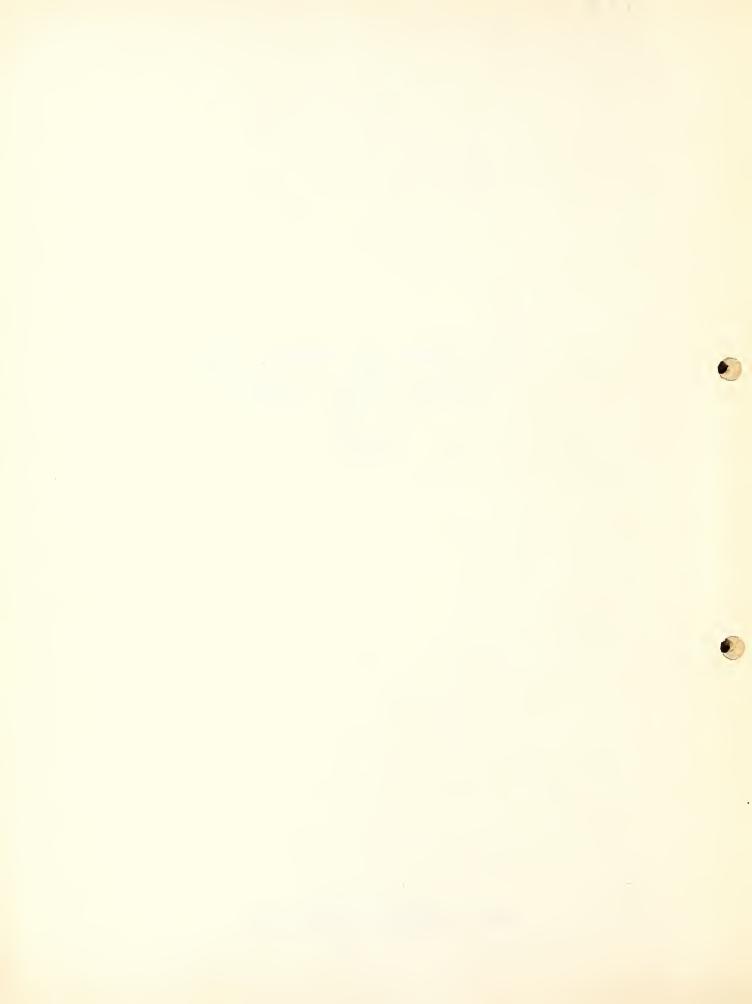
It is a pure business proposition to them.

THE ECYPTIAN AND BRITISH VIEWS REGARDING COTTON GROWING

IN THE

GEZIRA

P. K. Norris, Senior Marketing Specialist, Cairo, Egypt.



Attached to this report is a cony of a circular issued to the sharcholders of the Sudan Flantations

Syndicate. The Syndicate officers emploised in part the reason for the decline in the yield of the Budan. The explanation of course, is disease. Mainly "Blacker" and "Loaf Crinble".

It is certain that the Plantations Syndicate will not as a dividend this year.

There is also enclosed herewit' an editorial from "Al Dias" a native newspaper of the maid political party. While it is the policy of this paper, to criticize the present administration, it is also true common expressed in this editorial is held by many prominent Egyptians. I thing it is safe to say that the majority of the Egyptians believe that cotton growing efforts of the British in the Sudan is a failure. They like to believe this because at the present the, the Egyptian Alministration of the Sudan is only a theory. The British control the entire Sudan and the joint administration of England and Egypt is a joke in practice.



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THE SUDAN PLANTATIONS SENDICAT LITT

Mo.1, peol al Buildings, London, E.C.S., 1 th Oril, 1831.

CIRCULAR TO SAUR OLDERS

Dear Sir (o Lam),

Your Boar consilers to talvice information of the relation of

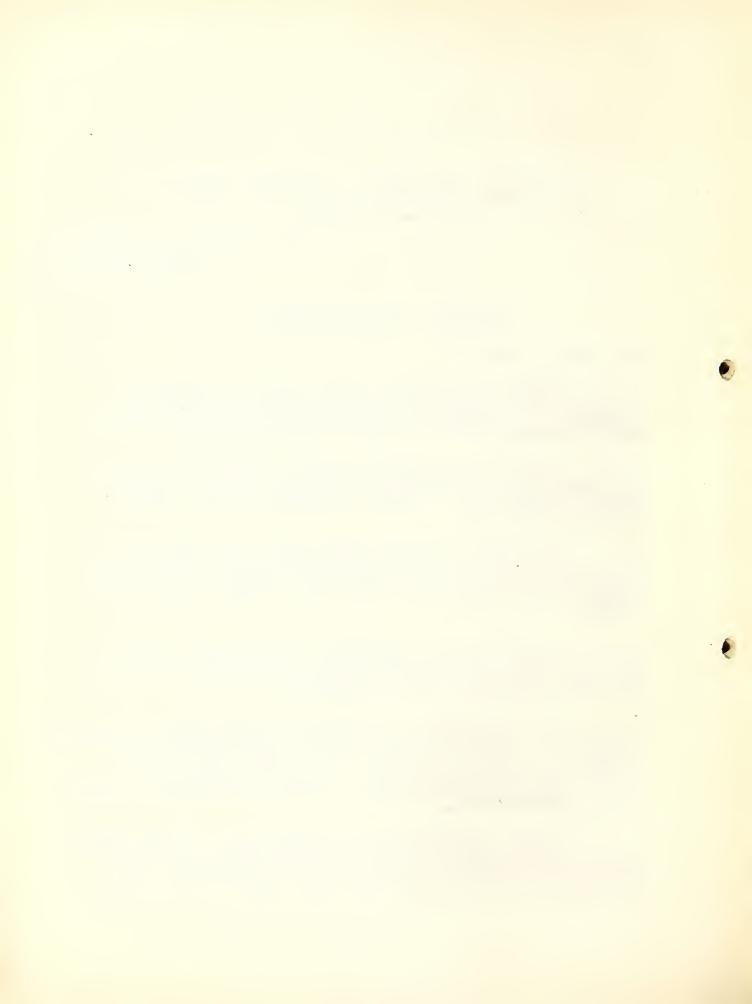
In the code, Cotton slowed to the mounts to 200,736 hanters from an area of 175,413 feders, against 274,000 henters from a also of 184,500 feders, at the code date last year.

As iching are condicted about 1 ill of May, it is vitent that the final yill will be lost at of last year and very carbolor the avera. It is anti-circle that it ill it roll of 1.3 stars be fedded.

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In the leafer to et of to late hear rains in October, mentioned at the late of the minister bees elemented an effect that the minister bees elemented an effect of the first the minister bees elemented an ecovery in the cott plants.

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with the good results obtained at Zoida, which has been under cotton cultivation since 1903 and is from from both of these rests, is evidence that the low yield is not due to any deterioration of the soil.

In the past, in average years, and even in cod years, to ectton ore in the desira has always suffered to some extent from the presence of "Blackarn," but its active period is usually followed by a recovery in the lent which count racts the effect on the yield. "Leaf Crinkle," the is average disease, has been in evidence as a minor jest in various lesses for some years. Last year it was fairly general, but only in this season has its effect become serious.

Scientists on the Gosira Research Farm have this year discovered that the disease is carried and transmitted to the cotton lant by lite Fly, but it ha also been established that the hite Ty on hit carry the infect a unless it has first been infected itself by feeding on plants infected wit "Leaf Crinkle," at the climation of this main source of infection hasbeenes a que tion of the greatest importance. It has been found that the Lubia ero, which is sown in August of cotton land after the cotton is cut out in May, is a source for the prolific presention of itself, and that, in gite of all procention, owing to the necessary irrigation required for the crop, a certain amount of the all cotton roots, some of his wore infected with "Lonf Grinble," permante and sprout. This Fly, is are produced so abundantly in the Lubia, feed on those infected shoots and thouselves become infected, with the regult that when they migrate or are blown into the necessary's cotton fields the disease rapidly a made.

it a view to elimiting this condition, he that some of the Gesira ero rotation is being change for next season's cotton ero, and the otation which has been found so successful at Zeidab over any years is being ado ted i.e., the cutton eros will be followed by two years of fallow, grain and ot or cross required by the cultivature being ground and set apart entirely for this purpose.

As the result of one lamits car indext with cotton sood produced by plants infected it "loaf Grinkle", it had now plants, but to eliminate any ros inflity of some being a carrier, all cotton seed which we had in the Gezira for some uncess has been experted and sold and new Sak laries cotton and has been bourn and imported from Hypt for the sewing of the seminal season's cotton ero.



From the above it will a seen that ell and the steps are being that in order to revent the recurrence of this season's unfar arable or riseas. In last year's Inlense To t steps of cotton were value, at the prices ruling at the beginnin of October. Since that date there has been a considerable fall in the rise of cotton, with the result that sale offected since that date have in most cas a been belon this valuation of the results has been evident and fair lets have been discovered of.

To reduce westing, production and everical charges, the wares of native later in the Sudan have been remode considerally, and potential and the Sudan have been remodered all staffs in Lundon and the Sudan have been contacted as 10 per contact to case of these with interscharing, product down to 4 meets. In the case of these with interscharing, productions.

hilst it in, of course, incomble at this date to ferocast the final results for the part, it is sivious that no init is will be dealered, and is of the refused cotton and soon prices now ruling and the enticipated large of this content of in the Gaira, it is the characteristic of the prices and dealers in the dealer, it is the characteristic of the c

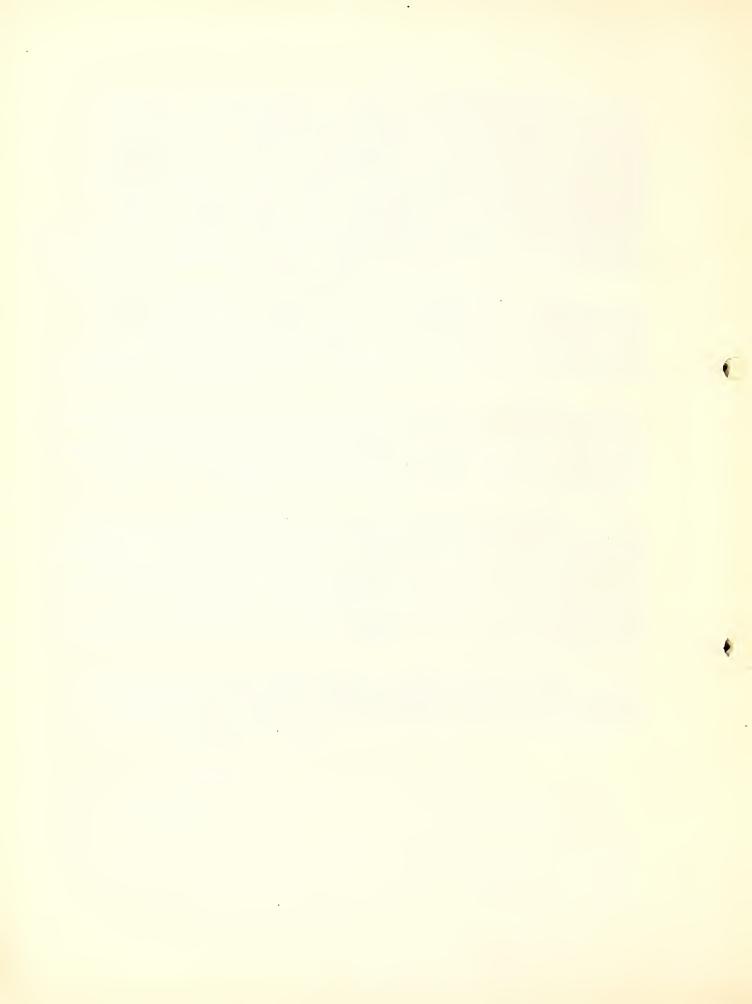
Tour Lord considers that it roulders that it rould be that it will be in the best interest of simpled Lor under promailing that it is a late, that all each a cure should be a rould to enable the action to emiliate the could be a rould to enable the action at the same at the even the hard times, the innest the cotton stories as yet unself, and to movide for main anyoness.

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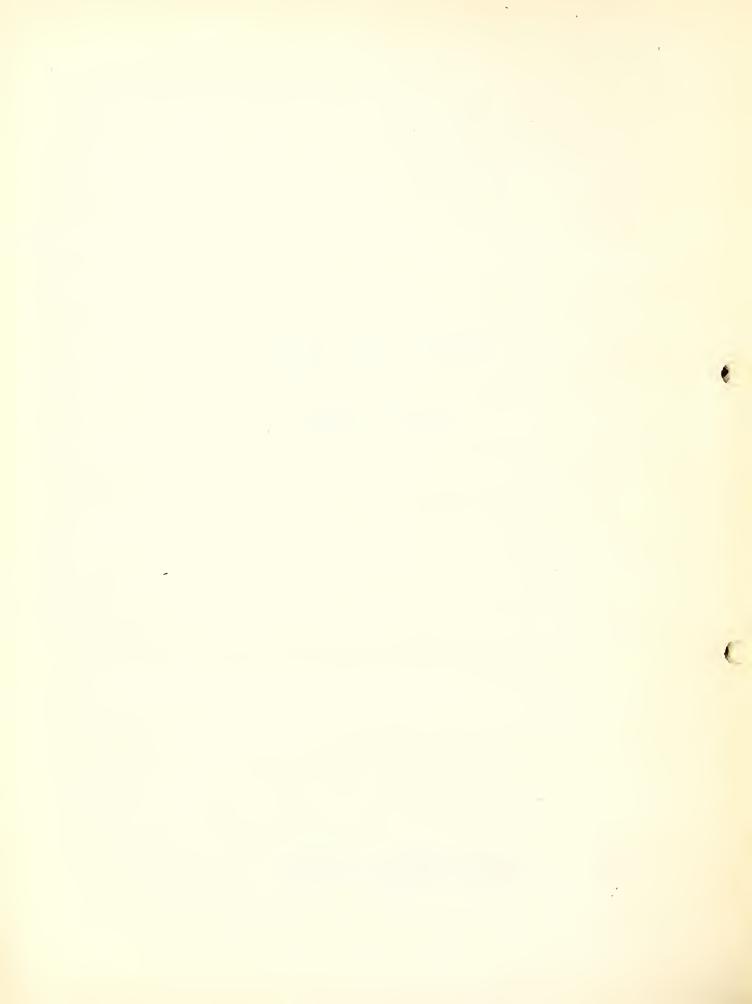


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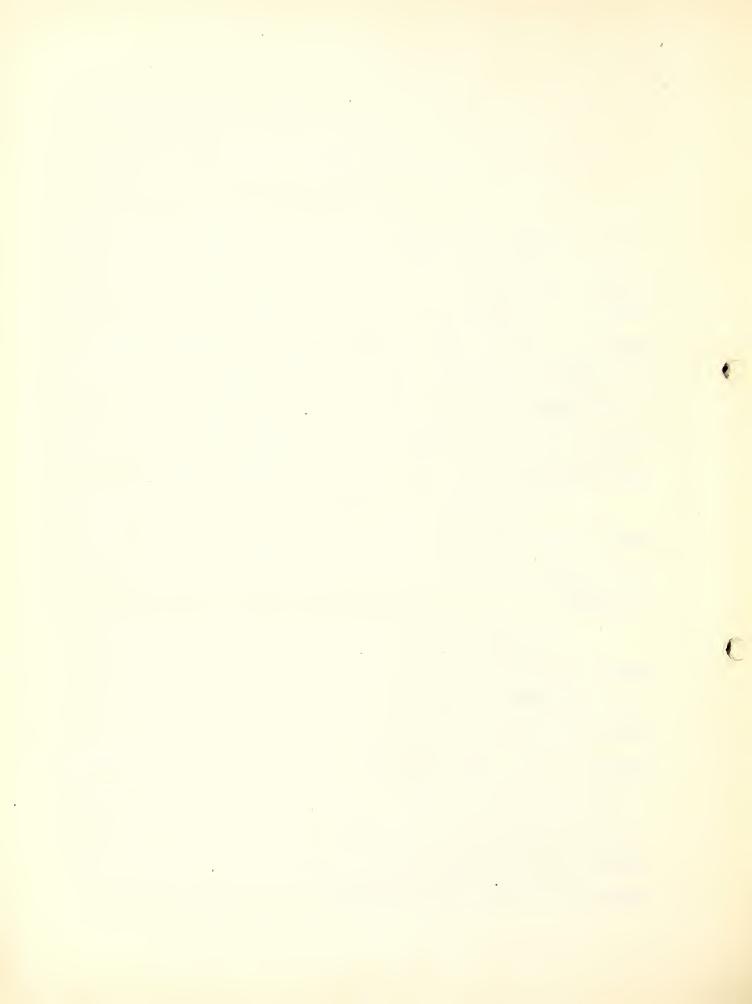
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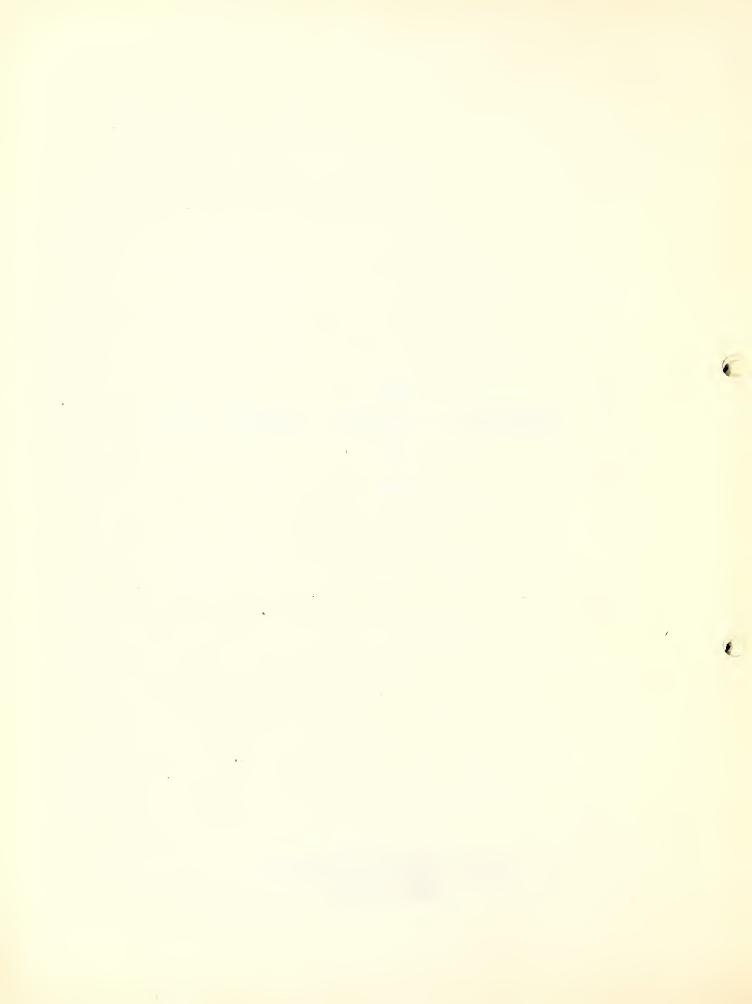
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EXTENSION OF EGYPTIAN COVERNMENT LOANS

OF

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Sonior Marketing Specialist Gairo, Egypt.



The Trime Minister who is also the Maister of Finance, announced yesteday that the Dynamic it will pestpone the repayment of leads on Emby due to the Covernment, from the sale of Cotton Bed and persial fort lizers, will next your. (This means will the same cross comes on.) To also stated, that the date for the agreent of the unpaid 1930 land tax, sould be extended to next year.

Dusinoss about L. . 77,000 (2, 35,000) of rule

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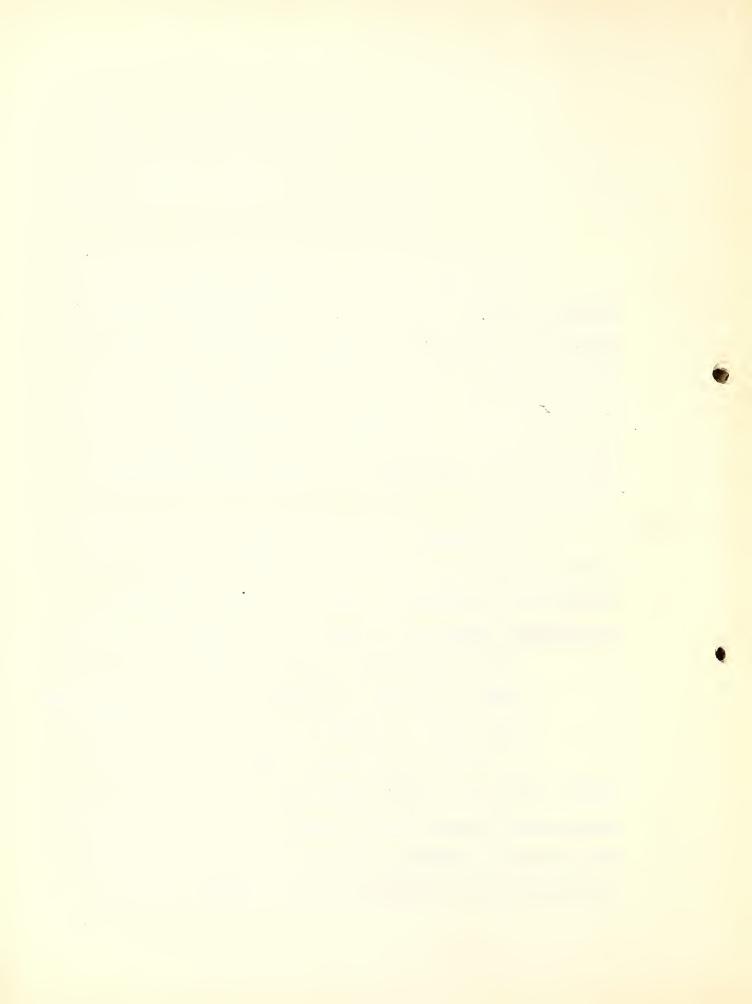
Sale of Cotton and ...47,000 (\$55,000)

Sale of Commetal Pertilise L. .150,000 ((750,600))

Cash Leans to Leans to Leans ... 110,000 ((550,000))

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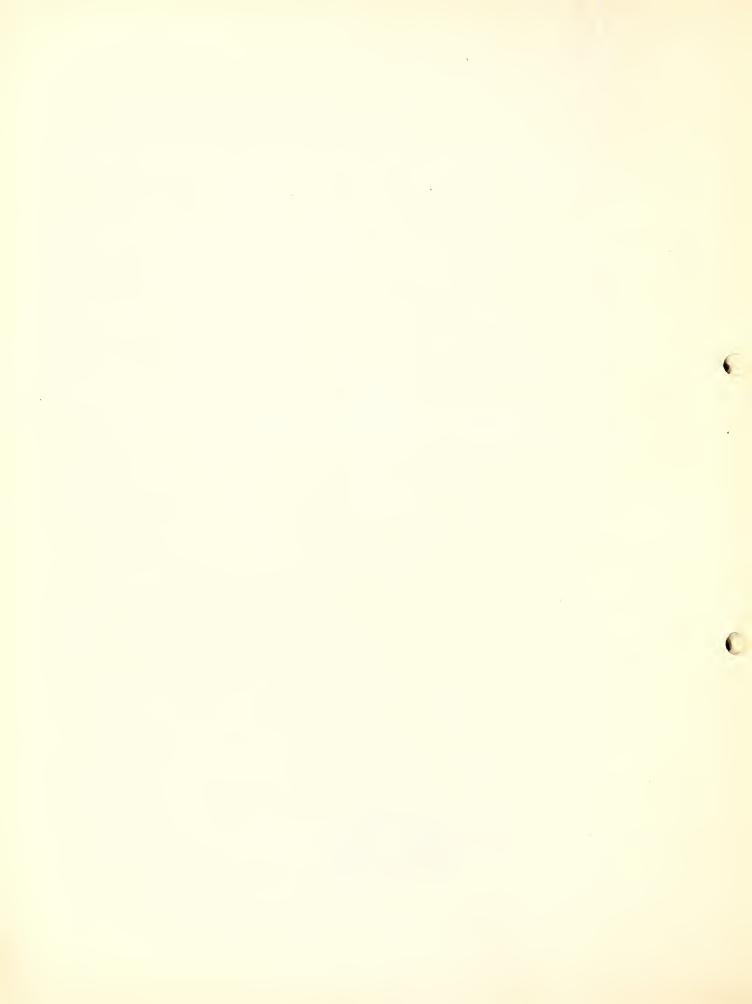
those items, may be miss a relational to real series of the Government at this time, it will be or ver latter, if me, assistance to the farmer. This so may the mothed of obtaining it. The may this meant and a series of time. It doing this, however, was to promite in extension of time. It doing this, however, the promite open a long political



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on hove bur 13, 1930 the Kin signed a decree authorising the Government to participate in the organization of an Agricultural Dank. (See report made Dec. 1, 1930) At that time it was strict the bank would be in operation and its funds available for the season of 1950-51. Since November however, the Lovernment has had not only the economic condition but the political problem on its hands as well. From the Covernment's view point the latter was far more important. The political matters, however, received first consideration.

Government has a clear bill of health it is able to turn more to matters of general interest. A few days are the Council of Ministers approved a slan for the organization of the projosed Agric Stard Bank. Under this plan, the Bank is to have a capital of not to exceed L.E. 1.000,000. one half to be taken by the Government and the other half by the banks doing business in Ruppt. This includes both the Foreign and native owned banks.

Union decree Law no. O of 1930 the Lovernment will appoint the Director of Lanager and will guarantee a dividend



banks. It is stated in official circles that the bank will be opened in Gaire for business about July 1 1000. It is a matter of political interest of the who the form and mild as a state of political interest of the who the form and mild as a summary of the content of that What for Firmson will be made. Lowever, it is important this and would be ship to send without leaver his Covernment position. The providest continuation with much more favor than on a business position of each of each the same favor than on a business position of each of each his as and of the best men in the faults. It has taken the lead in many of the companie or blant of the content and while the content of the content or blant of the content and while the content of the content or blant of the content and while the content of the content or blant of the content and while no could be content or blant of the content and while no could be content or blant of the content and while no could be content or blant of the content and while no could be content or blant of the content and while no could be content or blant of the content and while no could be content or blant of the content and while no could be content or blant of the content and while no could be content.

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will interfere it' ''e busines of the local money-leader vould therefore, into form with the business of the crivate bases.

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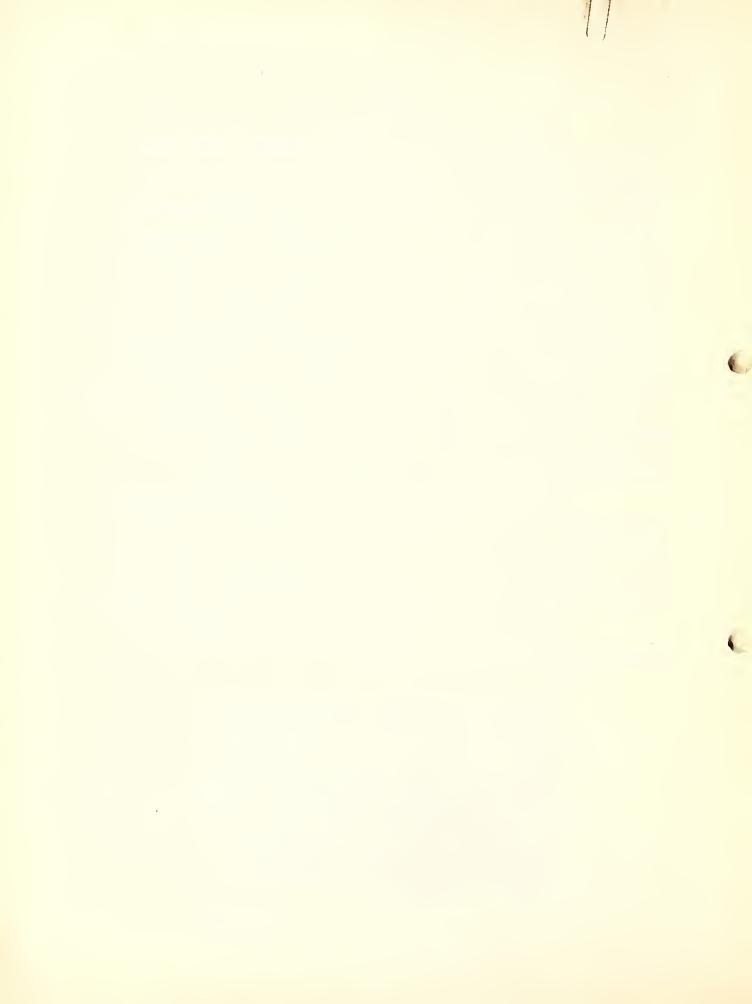
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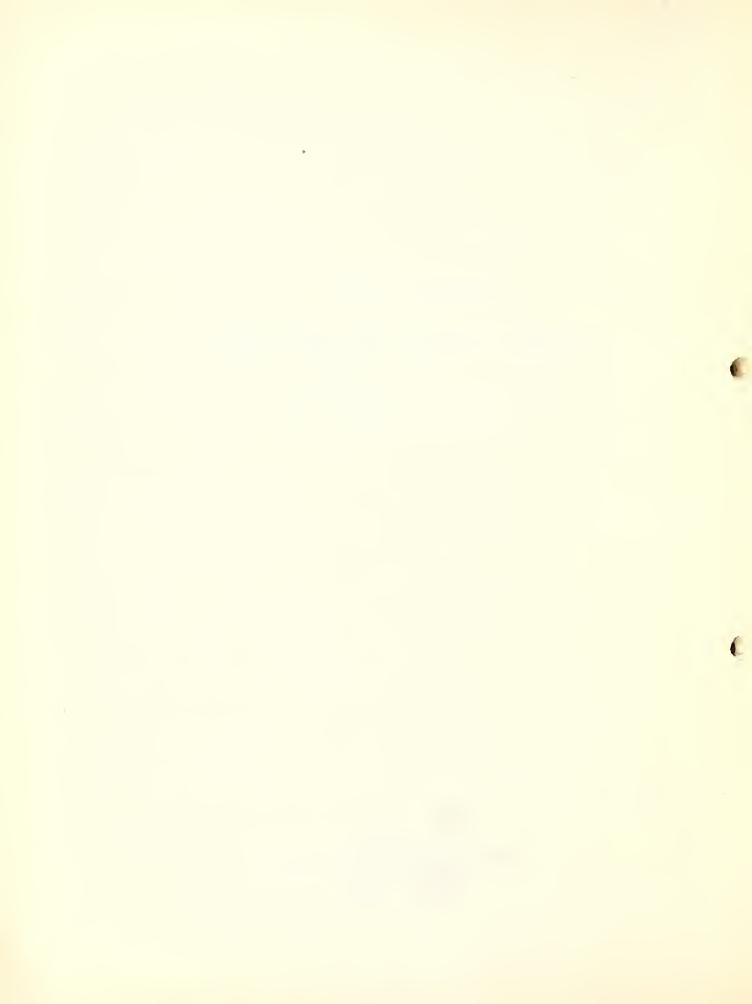
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1 ril 31 to May 10, 100

Sc.is. American Specialist Gara, Last June 3, 1951



The Irrigation Report for the period from April 21 to May 10, 1901 has just been released by the Ministry of Tublic For a. While the report states the supply was sufficient it admits it is look a both Open and Lover Egy to

The real summer water re-ulrement comes during the upartic of June, July and August. It to present difficulties so early in the season it is not un encountle to expect that erops at the ex-respondence of the canals will suffer a the same requirements become heavy.

The following is the full text of the roment:

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CUTTON - 10 IN REPORT

by the

CLUBIAL LEHRAN OF ACTIONATE

for

Hay 15 to May 50, 1951

Senior Marke in Specialist Cairo, Egypt June 9, 1971



The Ministry of Agriculture in its Crop report for the last two weeks of Eq. 1. It states that he water smoll for cotton as and smd the crop has made usual reported late. In the North end of the Delta. This section is reported late. It will be recalled that this is the area in mich most of the Sarel is grown and in which the Sakel planted was neutrical to 3 or cent of the land under crops.

The following is the complete text of the cotton report:

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province.

Thrips: A district was notice in a small area in Kait alia province. It was successfully troated it nicotine sulphate. Oronth:

invourable west or asselerated rowth, and began to display a distinct effect on early-som areas. It is noticed, however, that in the up or rugions of the Dolta, the plants are still a aller than normally. The formation of buils is meneral in early-com areas in U per E mt. It started in notice! in the Am nouni Gelid wardity in Unpo-Egyt. Finning is programming in 1 f - 1911 1900s. foring, watering and manuels ar als rogosia in early-come and enorgh was.



J. 1931

During my visit to Khartoum in February last, the Director of the Sudan Department of Agriculture efford to furnish me with the season's final cotton yields. On May 20th, I telegrathed hi; asking for the yields by growing ereas and today I received a reply as follows:

" Sakel Gezira 253000 Tokor 57000 Kassola 52000 Shambot Duoim 917 private estates 4000 American Trrigated 51000 rain \$3300 (signed) Zirge "

The latest published report of the Sudan crop is for March and gives the following yields compared to the present report.

Aroa;	March	Re orted May 30	Reduction
	Kantara	Kantars	Kantars
GEZIRA Tokar Kascala Ducin, Shambat Private Estates	265.000 70.000 56.000 1.600 6.780	263.000 57.000 52.000 917 4.000	2.000 13.000 4.000 683 2.780
American Irrigated	51.136	51.000	135
American Grown	63,587	63.300	287
Total Sokel Total American Upland Total crop	599.300 114.722 514.162	372.917 114.300 487.217	260463 422 26.895

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13-14	5.80	22-23	3.63
	3.80	23-24	2 ₉ 05
14-18	5.20	24-25	8.21
15-15	5.32	25-25	4.78
16-17 · 17-1	3.83 3.89	\$\$~37 \$7 ~ 23	4.77
13-19	5.33	29-29	3.54
1919-20	5.26	29-30	3.33
20-21	5.37	30-31	1.30

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new land and is therefore has a ligher feddan yield than the lend of the S.P.S.

The reduction in the yield of the Gezira is no doubt due to the heavy rains last October, which brought on a serious attack of "Block Ara" while the crop was young and the "Leaf Curl" which attacked the crop later in the season.

the river, north of Kharteum have been fair. This has been pointed out as an argument, that the soil of the Gezira is not exhasted but that the low yields are due to a combination of unfortunate circumstances. They point out that the soil of the two areas is the same and that the north area has been producing cotton for a musb r of years with good feddan yields. They overlook the fact that the north area is American Upland Section and the Gazira Schel. I think it is plain to most Agriculturists (the officers of the S.P.S. are engineers) that the S.P.S. sust scener or later changeto America Upland or at least give up the Salel variety.

SUDA COTT --

June 1. 1901.



on my visit to the Sudan last February and March I was impressed with the effects of the Covernment Officers an the Officers of the Sudan Flantation Syndicate to conseal their disappointment regarding the yields of the Gezira Cottom. At that time many of them refused to admit that the yield would be under the published estimate. Then I pointed out that cotton with but two or three balls to the plant could not yield a very large crop they answered in a very polite way that the Sakel plant was very much different from the American Upland plant. They thought I was too low in my estimate of the cro when I said it would fall 20% or more under the published estimate.

Very few men I met admitted that I was right.

The season has closed and the Final Report will show that the entire Sudan is very much under the early estimate and that my estimate of March while much below that of the Sudan Covernment was far too high.

The following is from the Sudan Herald of May 30, 1931 and expresses the views of the local business mon regarding the outlook of cotton growing in the Sudan. It is doubtful if the officers of the Syndicat will be able to create as much enthusiasm among the local business men as was shown prior to the 1920-30



erop. While the Sudan Government Officials did not say it in just so many words they led me to believe that they think the Officers of the Syndicate are responsible in part for the low yields of the last two years.

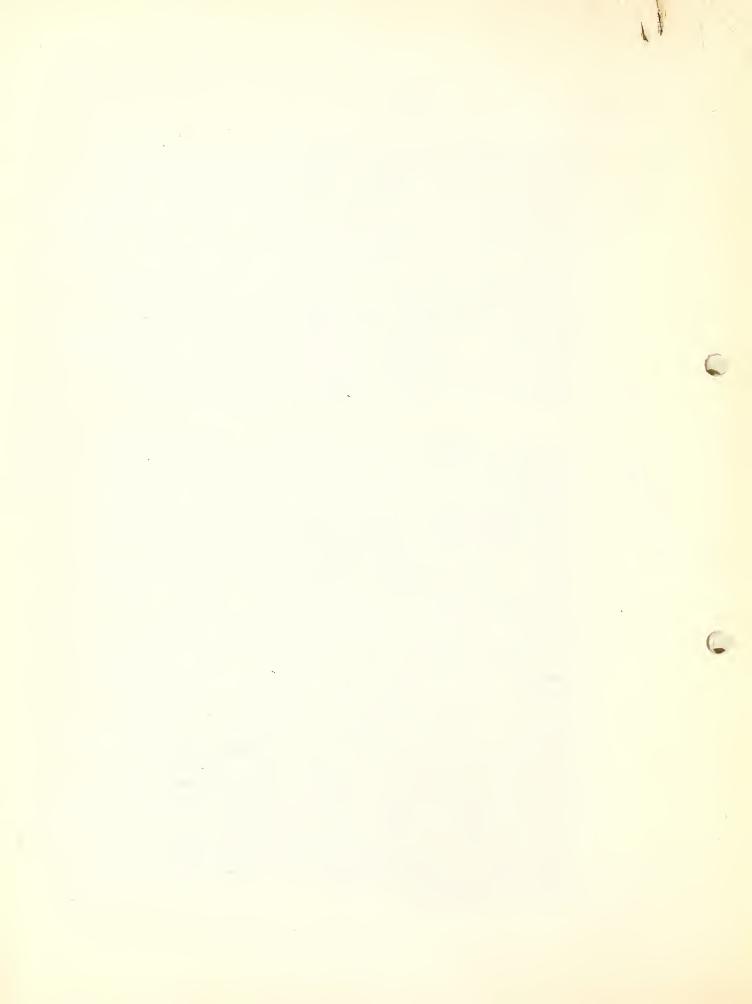
The Sudan Herald clip ing follows:

"The end of ment's will see the close of the 1930/1931 gottom monason which has been one of the nost disastrous on record, with the exception of Tokar where the final yields has accorded the original estimates. There has been a considerable drop all round as compared with the 1939/1 30 erop. which again was by no means a bumper one. The Gozira area Las been the most disappointing part of the whole show, a although the area under cotton this year has been increased by 20.000 fedlons, the total field will not exceed 255,000 hantare of 318 rottle as compared with 405.000 kantars last poason; To'al shows a yield of 60,000 kenters as compared with 60,000 kenters last soason; Kassala District 57.000 kentars as Against 83,000 whilst Sharbat and rivate Estates will only produce a total of about 7,000 kenters ao a cinst 10.000 kantars last season.

In other words, in spite of the increased area the total yield of Sakollarides cotton from the Sudan this year will be in the nei bourhood of 397, 00 tentors a minet 5:3,000 houters last season. This is a most disappointing result as in addition to the low floid, rices are one, below the werage, Tich mins it still more lisastrous. Thevery best Lopus of all have been placed in the Using and in the past those hopes were no e time justified; but the two consecutive bad craps, the sesond werse than the first, and the uneconomical price at which raw sotten is sel maker one feel ratio construl in ones mind about the future, and soin that so much ca ital has bee such in the Course S has and that the life of the country practically do this won the results of the venture, on he bound to feel a bit alar si at the situation.



Ter are also see to take we must not be president in our that the line are also port who till that the iller was results of " Gorina mas and me met die causel to natural course and the there is a bound in laskin in the granted and all so of the ret, an also that inclorate financial or ort be been in to the sativa caraivators, will all it is o bule as them to protectly look after their estum, as in the post. We are inclined to display the decise views entirely, and we are satisfied that not in that any int miy logo ble to do the letter the the terms. Alorand r MacLityre, the Chiling and Michigan Birrotor of and Symious, and to make Lieucemats, F. joy the right and it. Are lale, have diven so man et a la la la la coma a to. and in the Costen and met dier common out שיר יתר ברינ נו על ב יחל או בי מרי מול מי מרי מול الما المالية ا of the signal as we that have the land to a what they could'us bust ent, sith an embatesas of the various out and as a management of miss these And the control of th to meet a leg of the data not to be well or oa wets of the lutur. In cratour gavie is in frely un ocossary, and we must al have full confidence in the of leioney and carabilities of the management of the Fig. lunt that Symitote to most the requirements of two situation.



SALE OF COTTON ON WHICH

THE

EGYPTIAN GOVERNMENT

HAS MADE

ADVANCE LOANS

TO

Little In the little

GROWERS.

P.K.Norris. Senior Marketing Specialist.

Cairo. Egypt.

TRILLY 257, 1831

During the harvest season of I930 - 3I, the Eyptian

Government advanced to cotton growers a loan based on the market

value of the cotton. In most cases, this was equal to about I2 cents

for Uppers and I5 cents for Sakel.

At the close of the picking season, the Government found that it had on hand, about I.200.000 Kantars of cotton on which it had advanced more than the present market value.

Most of the loans were for short periods. As they fell due they were extended with the hope that the market would advance and that the Government would be able to recover its loans. At the rise of the market in February, about 325.000 Kantars were sold. On May IOth, the Government started ginning the remainder (all loans were made on seed cotton and were stored in the seed).

Ginning has been going on now for about 20 days and some of the cotton is arriving in Alexandria, where it is being sold. It is understood that the Government will sell all this cotton as fast as it is ginned, unless the owner will put up a margin.

The Alexandrian market has been weak for several months now and it will be quite a load on it if it has to absorb this quantity of cotton during the next two months. It is the aim of the Government to sell all the old stock before the new year,

Dureng the heavest poole of IPTC - II. the maintenance of the control of the cont

At the close of the proling season, the Reviewant found that it had on hand, would I.CO.C.C.O.A.m. of cotton or which it had advanced more that it is present a their sell flucturer which of the loans were for short periods. As they sell flucturer where extended with the hope that the more favored that the more extended with the hope that the more than the solution of the selection of the selection of the more results. At the market in February, should also be selected to the more than the development atom the size of the selection of the select

The control of the state of the

which stars September Ist I93I. This sale must not be confused with the sale of the Stock held by the Government as a result of purchases made in an effort to hold prices during the season of I929.

With this cotton in sight, cotton men of Alexandria say the market can not hope to advance very much during the summer.

The Control of the Co

OF AUSSIAN COTTON

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P.K. Morris.
Senior Harksting Specialist
Gairo. Egypt.

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May 20th, 1951.

About a year ago the Soviet Government sent an agent to Egypt to buy cotton.

The Egyptian Government, while having no diplomatic relations with the Soviet Covernment, allowed him to enter. The agent bought from ten different firms a little more than 45.000 Egyptian bales at \$ 28. per Kantar. About I3.000 bales were delivered and paid for and about 32.000 bales are still in Alexandria. Since the cotton was sold, the price has dropped to about \$15 per Kantar and the Soviet Government refused to take delivery. The Egyptian and the Soviet Governments passed several notes regarding the matter, but no agreement was reached.

Last week, the Manager of the Stamboul Eark branch of the Soviet Bank came to Egypt and asked a charter to open a branch in Alexandria, to facilitate cotton purchases. He stated that the Branch would be operated by an entire Soviet staff. The Prime Minister said this was out of the question but that he could settle the old cotton question before he left the country.

After several days of discussion, the Russians agreed to take the cotton and pay for it at \$28 per Kantar, delivery to be made in annual installments of 4.000 bales, one fourth of the price to be paid in cash and the remainder by drafts guaranteed by the Soviet Bank.

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P.K.Morria. Cairo, Egypt.

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May 20th, 1981.

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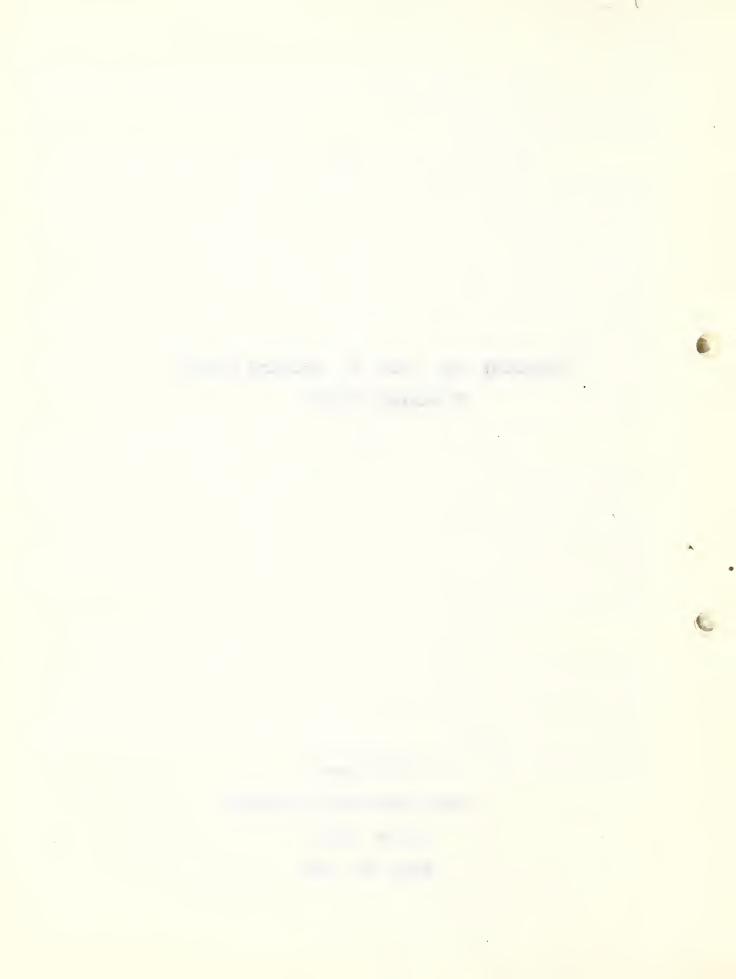
EXTENDED THE SALE OF EGEPTIAN COTTON IN CENTRAL BURGLE

P. R. Morris

Senior Marketing Specialist

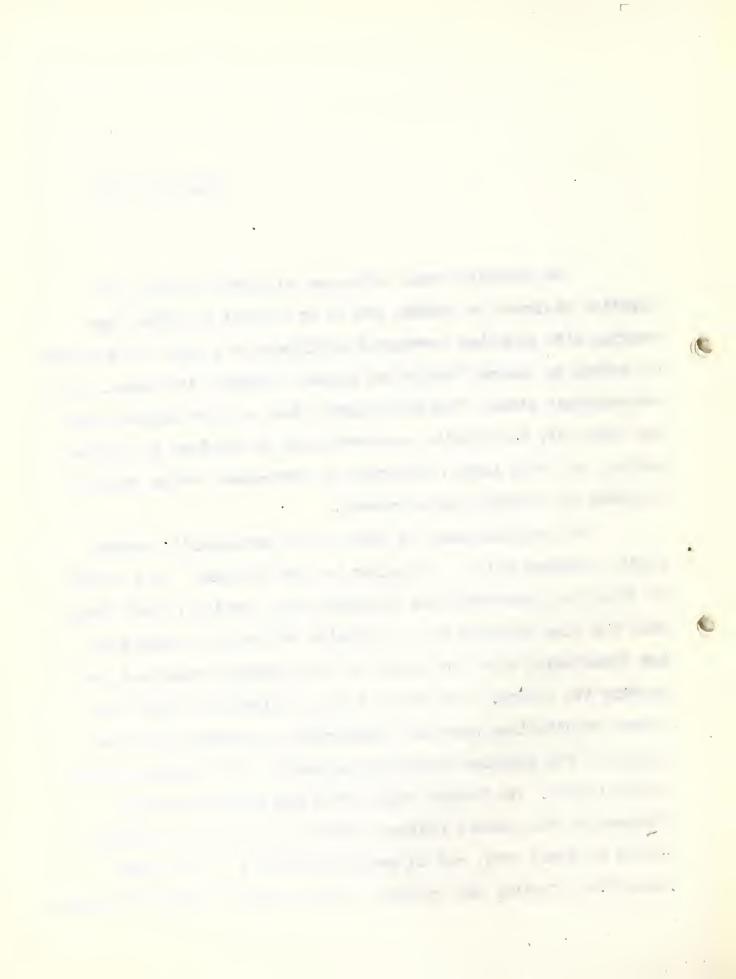
Gairo, Egypt

April 15, 1931



The Egyptian Press amounced on April 5th that the Egyptian Minister to Berlin, who is at present in Egypt, was working with Egyptian Government officials on a plan for the sale of cotton to Goman, Polish and Greche Slevakian interests. The amouncement stated that the general plan had been agreed upon, and that only the details were necessary to complete the transaction, and that large quantities of Government cotton would be disposed of through this agreement.

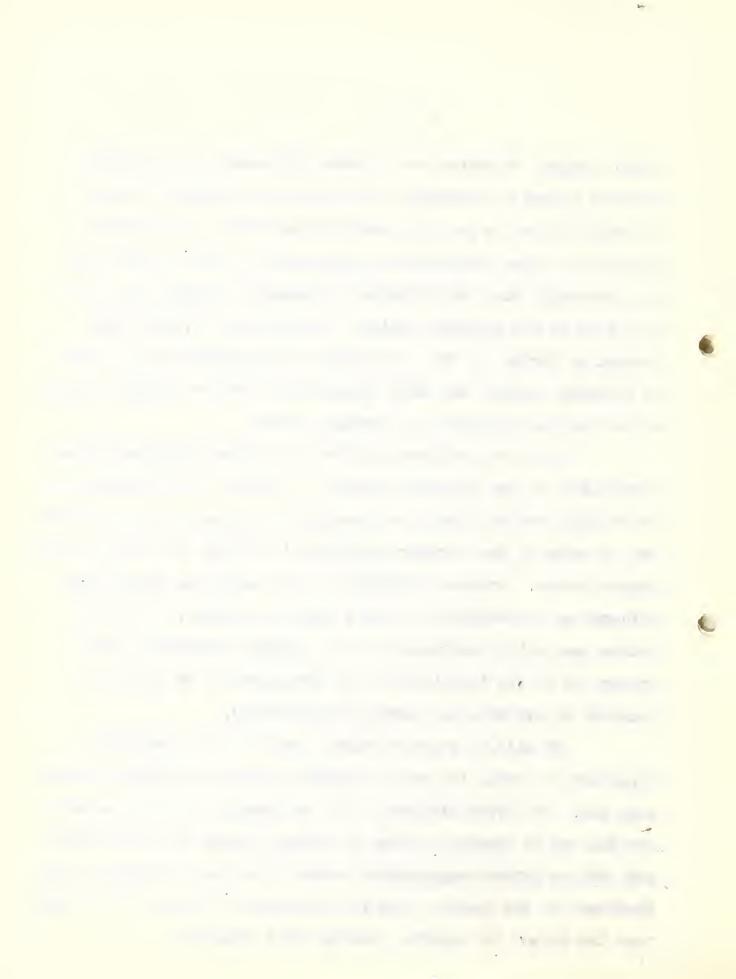
The emountment, in view of the Coverment's cotton policy, created quite a sensation in some circles. As a result of this, the Frime Minister amounces this norming (April 15th) that the plan proposed by the Egyptian Minister to Germany was not interfering with the policy of the Egyptian Coverment regarding its cotton. The Prime inlater pointed out that the German negotiations were not necessarily in conflict with the policy of the Egyptian Government regarding the disposal of its cotton stocks. He further stated that one of the principal features of the present policy of the Coverment is to produce cotton at lower cost, and in greater quantity. This would necessitate finding new markets, and the sale of cotton to Corman,



Polish, Czecho Slovekian and Austrian interests was in keeping with the policy of extending the markets for Egyptian cotton. As a further effort to put this policy into effect, the Egyptian Minister to these countries was instructed to get in touch with the automobile tire mynufacturing companies of Europe and to induce them to use Egyptian cotton. It is planned to establish centers in Europe for the circulation of propaganda for the use of Egyptian cotton, and these centers will have an exhibit samples of the various qualities of Egyptian cotton.

One of the problems involved in setting Egyptian cotton established in new spinning centers of Europe is the necessity of introducing new machinery, or changing the present type of machinory, as most of the European machinery is new set to handle shorter staple cotton. Another difficulty is the fact that Continental opinners are accustomed to buying stocks on credit. All these matters are being considered by the Egyptian Covernment, and it appears to be the intention of the Covernment to go as far as possible to overcome the present difficulties.

Organized to extend the use of Egyptian cotton was mailed several days ago. The Prime Minister is of the opinion that the cutlook for the use of Egyptian cotton in central Europe is very healthy, and with an active organization backed up by the influence of the Ministers to the various spinning countries of Europe, it is beed that the demand for Egyptian staples will increase.



Surmary of Egypt's Economic Condition

By the President of the British Chamber of Commerce in Egypt.

P. K. Norris

Senior Marketing Specialist

Cairo, Egypt

Apr. 15, 1931

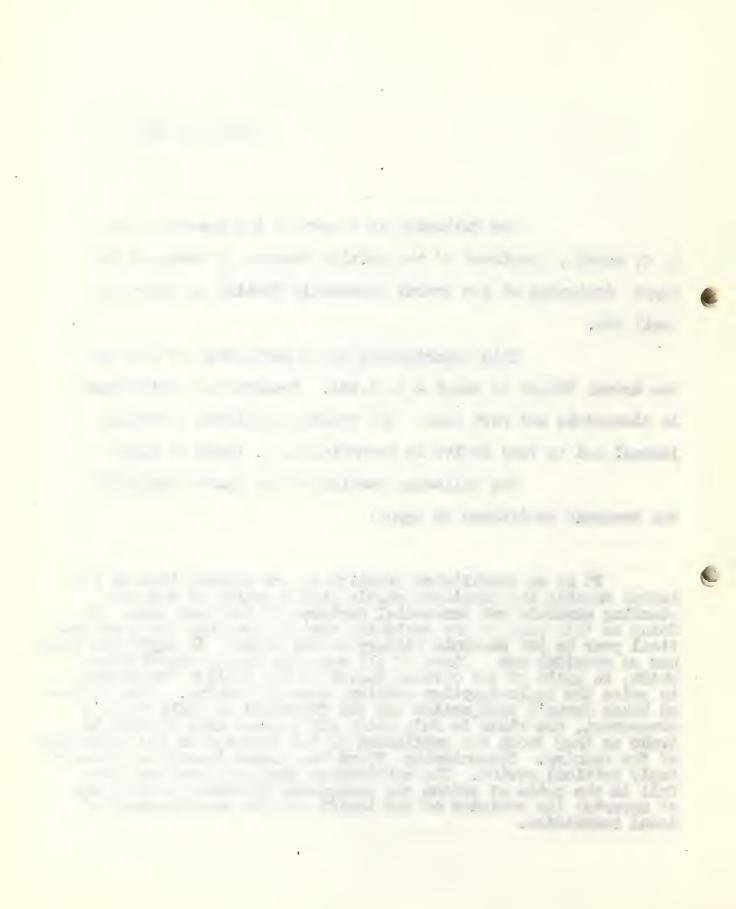


The following is a part of the aposch of Mr. R. C. Martin, President of the Dritish Chember of Commerce in Egypt, delivered at the Annual Membership Meeting in Gairo on April 9th.

This organisation has a subership of 621, and the Armual Buiget is about L E. 1,964. Branches are maintained in Alexandria and Port Said. The Chamber publishes a southly journal and is very active in premeting U. K. trade in Egypt.

The following section of the speech dealswith the economic conditions in Egypt:

Annual He ting the President should ive a review of the outstanding economic and conserved features of the past year. In doing so this year we are reviewing that is so able to most critical year in the economic history of the world. In Egypt the year was an eventful one. First of all same the Treat He, that ions which, in apite of the obvious desir of the British Government to solve the Angle-Tyption robles, came to nothing. Then followed Hahas Pasha's resignation and the formation of Sidky Pasha's Government, the riots in July which did a great deal of ham to trude as they shook the confidence of the importer in the stability of the country. Economically Egypt has passed through an exceedingly critical period. The outstanding features have been the fall in the price of cotton and consequent decrease in the value of experts; the revision of the tariff and the encouragement of local injustries.



Egypt's Reonomic Position.

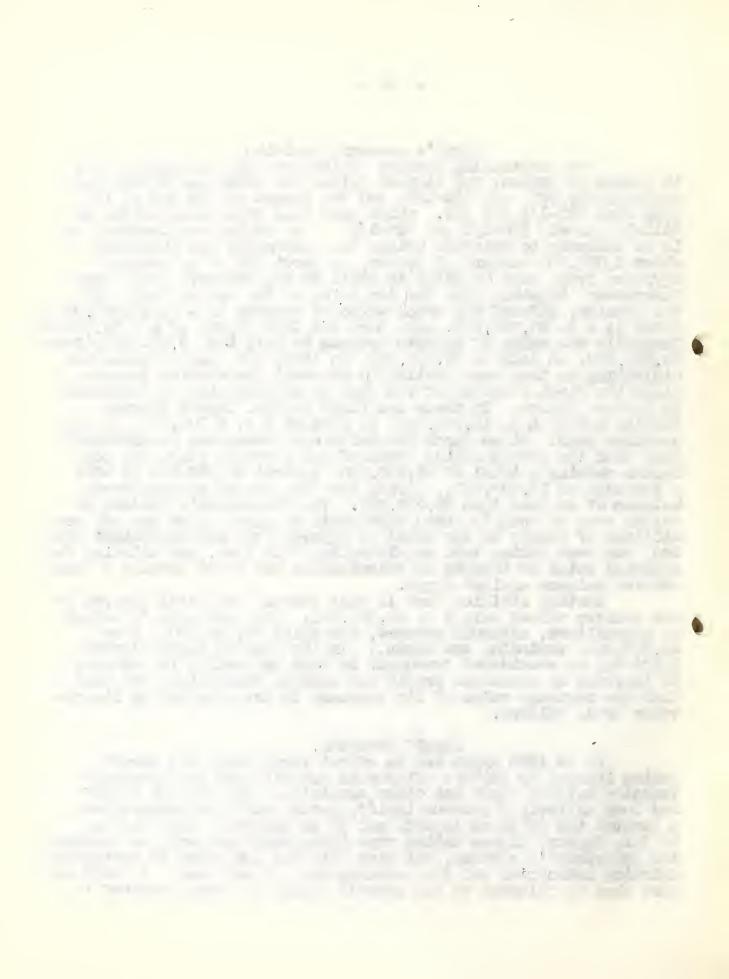
The outstanding feature of 1950 was the transmitten fall in prices of cotton; the highest prices for Sakel and Uppers were respectively \$27. and \$19-1/2, and the lowest at the end of the year were \$15-1/4 and \$10. which were less than those ruling in 1912-14, namely \$30-1/2 and \$17-1/4. To easist outlivators, and in an andower to maintain prices the Government has purchased about 3,000,000 kantars of cotton, or about 35% of an average Egyptim crop, most of which is still in the country. This large corry-over, together with the lew price of the cotton that left the country, reduced the total value of experts to L E. 32,000,000. which is E E. 20,000,000, less than the 1909 figure of L E.52,000,000. Mognyhile the value of imports dropped by only L E. 8,500,000. (from 56,000,000. in 1920 to 47,500,000. in 1950) but these figures are misleading as they were swellen by abnormal speculative importations the first 2 worths of the year in antidipation of increases in Customs Duties. In these two first menths, import figures totaled nearly & E. 10,000,000, as against & E. 9,000,000. in the provious year. Since March the value each month was considerably less than the corresponding month of the provious year, the ten months showing a total of 51,500,000. against 47,000.000 in 1929,-a decrease of 15,500,000., giving for the year an adverse trade balance of no less than 15,500,000. The Government's holding of cotton even at today's price represents an asset which can add many millions of pounds to the total of experts over any convenient per-tod. But even taking into consideration this fact, and allowing for abnormal value of imports no calculations can avoid showing a heavy adverse balance against happt.
Another striking fact is that whereas the total exports of

the country valued only L 1: 22,000,000. the coverment's budget of expenditure, although reduced, was still 45,000,000. (or 35,000,000. excluding new works.) In the fees of these figures, Egypt may be considered fortunate in that internally the country is essisted by executent credit and braking facilities, and also that the exchange value of its currency is not affected by its ad-

verse trade balance.

Tariff Rovision.

Up to 1930 Egypt had in offect lived under the Tariff Regime imposed by Turkey; afterwards consolidated in corrercial treaties between Roypt and other countries. The Customs Tariff had been entirely a revenue tariff, being, with a for exceptions, a general tex of 85 on imports and 15 on exports. The the end of this Regime higher duties were introduced, not only to increase the Government's revenue, but also with the intention of protecting cristing industries and the encouragement of new ones. I would say here that we objected to the general change in method adopted in



altering the tariff from an ai valorem to a specific basis. The Government, however, insisted on the change and in the results they are justified as the fall in values of imported articles would have meant a great fall in revenue had the ad valorem basis been maintained. However, our fears of the complications that would follow this radical change in methods are more than justified by burdensome complications forced upon merchants.

Industries.

The encouragement of the development of industries makes a new era in the history of Egypt. In early days Egypt was the corn producer of Europe, but the growing of cotton cornercially, about a hundred years ago, has led to Egypt becoming Europe's cotton producer, providing about half the world's supply of long staple cotton; a development that has some within the reserve of man. As in other a right tural countries, the Government has realized the danger of relying on the agricultural crop for its economic prosperity, and in Egypt there is also the necessity of providing for an increase of population beyond the figure which can be exployed in agriculture.

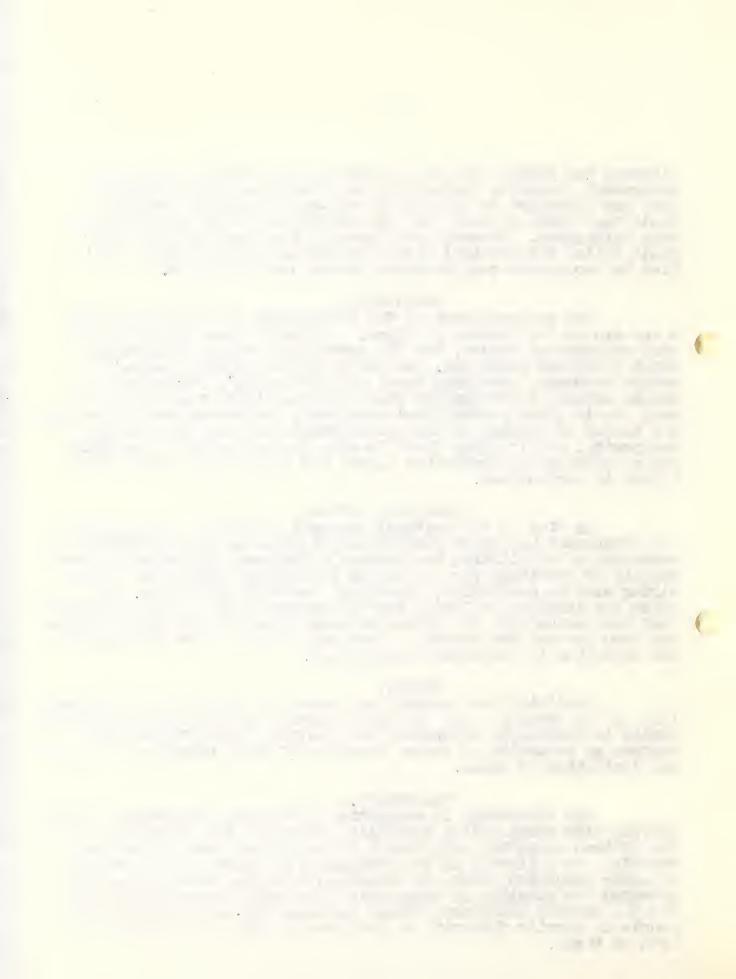
Covernment Action.

In view of the critical economic position of the country, the Covernment has taken careful and vigorous action, realizing the necessity of stabilizing the country's finances, realizing the necessity of providing for the steady increasing population, and desiring also by sanitation, education, communications, etc. to raise the standard of living for the greater mart of the population. They have considered the important necessities of increasing produce for home use and for export, decrease in expenditure on imports, and reduction in Government expenditure.

Cotton.

Realizing that cotton has become the basis of the economic life of the country, and that more cotton, cheaper cotton and better cotton is necessary, Covernment has carefully investigated such matters as reduction of costs, increase of yield, selection of types and limitation of areas.

The Government is attempting to develop production of foodstuffs, with which policy naturally numbers of this Ghamber are in the fullest sympathy, even though it may affect some of them adversely. We believe that the Government are alive to the example of other countries which, by imposing protective tariffs, have encouraged the planting of crops which, not being economically best for the country concerned, either increase the cost of food to the people or provide them with an inferior quality of foodstuffs, or both of these.



Emorts.

As cotton forms more than 90% of Egypt's exports, search has been made for other possible exports. In an excellent note by the Ministor of Finance on the 1931-32 Budget, reference is made to devolopment of emports of industrial products manufactured in Egypt. Whether Egypt can improve its financial position in this way remains to be seen; but as the world orisis today is so largely due to the fact that one-half of the world cannot afford to buy what the other half of the world wishes to sell, and that every country protects itself from others by tariff walls, the prospect of Egypt becoming a large exporter of industrial products does not seem very hopeful. Moreover, the lack of raw materials and the lack of fuel in the country or other power beyond the waters of the Hile means that industries in Egypt must always be greatly handicapped. Moreover, the Government, faced with the necessity of reducing its expenditure, is in the unfortunate position of being unable to develop facilities for esport. The port of Alexandria is an example where delays for 10 years in finding money for the necessary development of the harbor have already led to a decrease in valuable treasit trade in cortain goods and consequent growth in direct imports to other Mediterrangen ports where facilities are better or have been erected.

Industries.

with the Coverment's desire to develop industries again this Chamber is in the fullest sympathy, recognizing the necessity for supplies of matters of first necessity and diminution in expenditure on imported goods. We trust, however, that the Government is fully alive to the danger of industrializing too quickly what has always been a purely agricultural country, a policy that has led to fatal results in very recent times in other countries. Moreover, it may be questioned whether my industry can economically exist only by protective tariffs or whether other forms of government subsidy can be economically sound; it has been suggested that for the foundation of sound industrial concerns the Government should protect or subsidize them only for a sufficiently long time to enable them to stand on their own foot, competing thereafter with other countries with natural advantages, in the way of labour conditions, cost of transport, etc. and available raw materials.

I believe I am right in saying that there is no case on record where protection of this sort has been diminished or abandoned, for Coverments find it exceedingly difficult to abandon sources of re-

verme which have become established.

Cost of Living.

It cannot be denied that the increased tariffs have increased the cost of living in some directions, while in others they have



ngintained costs although prices of composities have fallen. It is unfortunate that where reduction of private expenditure is so necessary, the Government should have required larger revenue and be composited to raise this by taxation on imports, which raises the cost

of living, thus frustrating its own wishes.

Following an excellent report made by Abdel Wahab Pasha on the cost of living, the Covernment has decided to reduce, if possible, the excessive profits by retailers. This action, according to the local Press, is to take the form of compulsory marking of retail prices on all commodities of first necessity, which presumbly will lead to control of such prices. There is little evidence that excessive profits are being made by retailers, and judging from experience in other countries it is doubtful whether this action of Government can have more effect than ordinary competition between sollers. Horeover, the machinery for necessary inspection is likely to be so costly as to counteract any benefits to the public. Indeed, where action has already been taken, the calling of meetings to decide what retail prices shall be has been the first step in forming syndicates of sollers who will est together, where hitherto they have competed, sometimes fiercely, in price-cutting.

Similarly the proposed forcible reduction in house rents must restrict investment in new buildings and lead to a lack of desire on the part of property owners to assist their tenants in the matter of repairs, maintenance, etc. quite apart from the fact that we view the Government's proposal with alams as interfering with contractual

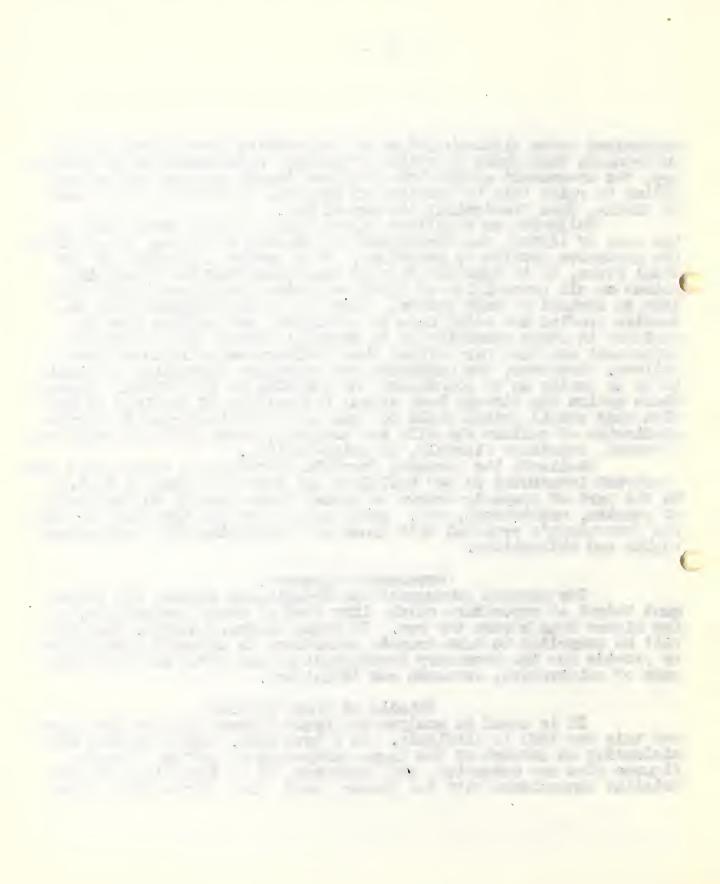
rights and obligations.

Government Expenses.

The present Government has drastically reduced the Government Bulget of expendiure which, like that of other Governments, is far higher than before the war. It would appear, however, that they will be compelled to make drastic reductions in internal expenditure to provide for the necessary development of new works for the assistance of cultivators, compres and industries.

Details of Trade Figures.

It is usual to analyse the trade figures for the past year, but this for 1930 is difficult. As I have said, expert figures are misleading on account of the large carry-over of cotton. Import figures also are deceptive, and, moreover, it is impossible to make detailed comparisons with the former years owing to the alterations



in categories of Customs rotums for ten months of the year following the alteration from ad valorem to specific duties.

Imports.

The following figures are taken from the Finance Minister's Note on the Budget:-

Cotton Egille goods 1,069,039.

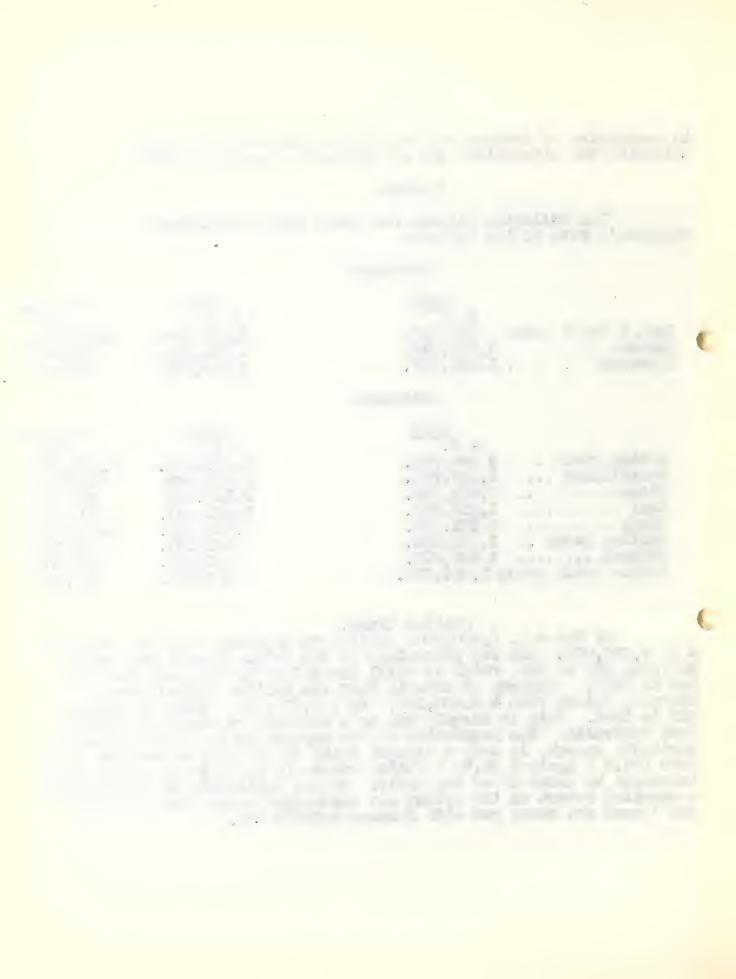
Increases:

Tron & Stool goods Timber Korosene	1929 L E. 862,178. 1,799,714: 1,235,057.	1930 1 E. 2,289,287. 1,879,803. 1,483,245.	Increase of: 1,500,000. 89,000. 250,000.
	Docroeses		
	1929	1930 1 E.	Decrosse of:
Cotton goods Fortilizers	8,959,782. 2,547,758:	6,636,309. 2,419,189.	3,500,000.
Flour Coal Sugar	2,921,205. 1,818,995. 2,921.205.	2,115.441 1,523,691 1,515,562	810,000. 500,000. 1,500,000.
Toollan goods	1,242,256.	562,891. 981,598	780,000.

869,653.

200,000.

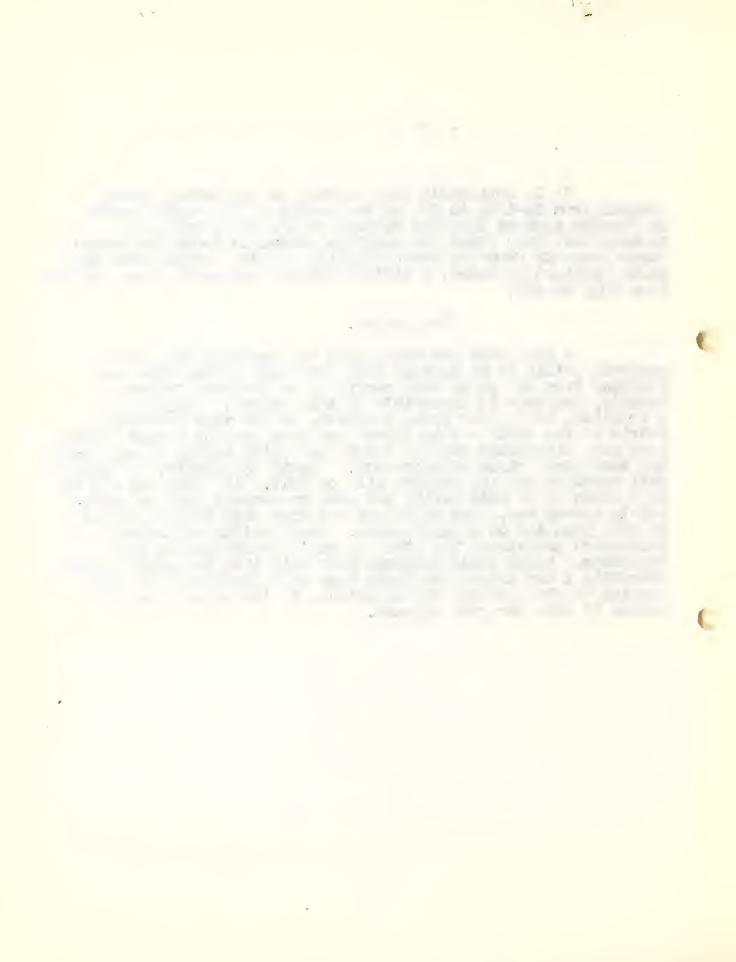
Of the Le. 8,500,000. decline in imports, the U.K. suffered Le. 2,250,000. but our percentage of the total imports has risen 1% (from 21% to 22%, which is still far below the 50% that the U.K. had in 1915). Figures of imports from the British Impire have, however, fallen from L 6,400,000. to L 4,400,000. being 9% against 11% in 1929. This is largely due to a decrease in wheat and flour from Australia. The proportion of the experts to the United Kingdom, curiously enough, is only a decimal point in difference compared with 1929 (34.6% against 34.7%) while experts to the British Expire have increased by about 2% of the whole. We are publishing in our Journal a detailed report on the cotton and cottonseed market for the year, and I need not werry you with further details now.



It is noticeable that exports to the United States dropped from 14-1/45 to 65, as the result of the tariff relacd in America against Egyptian Cotton; on the other hand, new markets have been found for Egyptian cotton in India for spinning finer yarms IN from the better quality cotton. Cotton seed exports declined by nearly a million pounds, England's share falling from 195% to 45%.

The Future.

I know what you would like to hear from me - the economic crisis is to serious that you would surely like some prophecy from me as to what awaits us in the near future. Frankly, prophecy is impossible at this noment. Egypt is but a fraction, and a very small fraction, in the vast economic fabric of the world - this fabric has been torn by stomms coming from many directions and the stomms are still raging though there are some small signs of abatement. Until they abate, the crisis will continue and the effects will be felt. All that one can do in a storm is to walk warily and sock to protect what is immediately around one. But it is not the time when one can really do much planning on a large scale. Local relief and self-protection are almost the limit of one's activities on such occasions. Large scale progress must wait till the storm passes. Heavenile I can assure you again that this Chamber is at your service to give you all the assistance in its power - and in return it asks for your support.



BIEPTIAN WATER SUPPLY

and the same of the last time from the same of the sam

P. R. Horris

Senior Harkoting Specialist

Gairo, Egypt

April 10, 1951



On April 7th I sont the following cable:

"Water supply causing alarm. stop. Egyptian Government order offective May first limiting use of water on certain lands of lower and middle Egypt. stop. Rice growing prohibited in offert to conserve water."

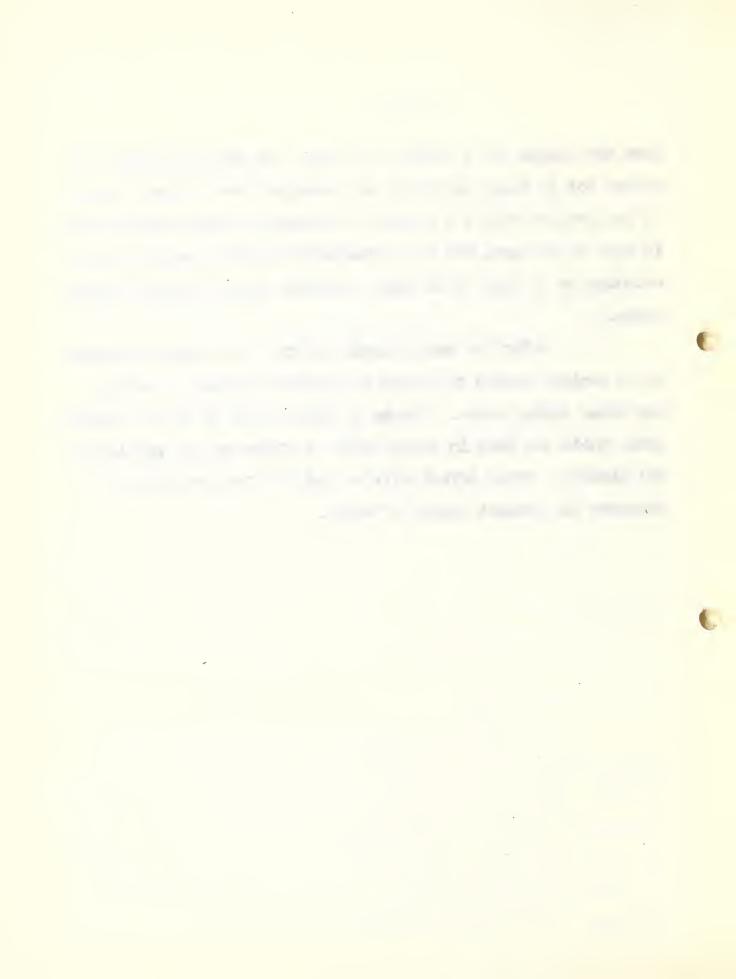
The above cable is the result of a Ministerial Order regarding the prohibiting of irrigation on "Charakis" Land (copy of the Decree attached). The outlook for the summer water supply of Egypt appears to be very serious. As a general rule, the Nile is much higher at this season of the year than at the present time. The fact that there is very little water available has caused the Covemment to issue this Order. The word "Charakis" means lands that are fallow. Usually these lands are planted to corn later in the season, but are watered from time to time while they are in the fallow state. This practice is prohibited after May lot of this year.

It is stated by officials in the Ministry of Agriculture that an order restricting rice growing will be issued
shortly. Rice is a crop that requires much water, and it is not
uncommon to restrict its acreage in years of "low Mile". There
are other measures of conserving the supply of water that may
be used if conditions warrant. One of these is the period of
watering. Under normal conditions water is allowed to be drawn

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from the Canals for a pariod of 6 days, and then the Canals are closed for 10 days; then they are re-opened for another 6 days. At the present time the period of closing has been estended from 12 days to 15 days, and it is possible that this period may be extended to 18 days or 21 days, depending on the future developments.

While the water supply is low, it is not considered to be serious enough to reduce the present acreage of cotton and other Spring crops. Cotton in Upper Egypt is up and looking good, while the crop in Lower Egypt is either up or practically all planted. Every effort will be made by the Covernment to conserve its present supply of water.

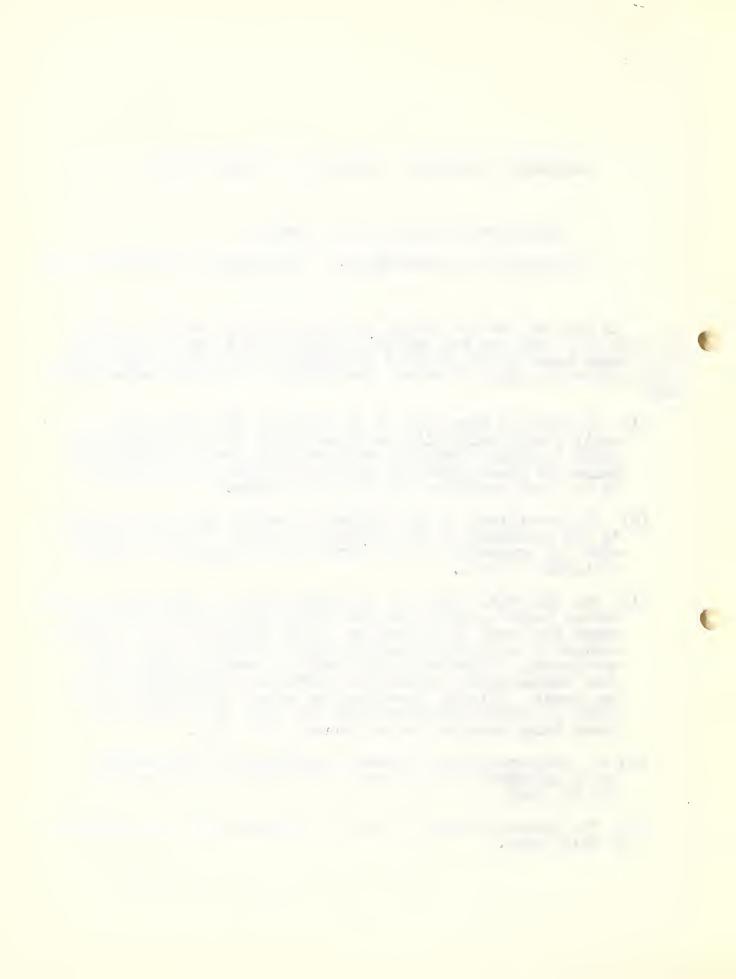


Egyption Covernment Ministry of Public Works

Ministorial Order No. 17 of 1951,

regarding the probibiting of Irrigation of Charekla' Lond

- In view of Decrees issued on May 15, 1903. June 22, 1905 and April 27, 1915 on the subject of the prohibition of watering those lands known by the name of "Charakis" and on the proposition of the Under Secretary of State, the Minister of Public Works orders that:
 - (1) As from the first day of the month of May, 1931 and until a date which will be fixed later, it is forbidden to water Charakis lands and those reserved few the growing of maize and other plants of which the sowing is carried out in the same namer as that used for unize.
 - (2) The provisions of the foregoing article will be applicable to the provinces of Lower Egypt and those of Middle Egypt, with the exception of the Payous which possesses a social irrigation system.
 - (3) The following lends are excluded from the provisions of this order: Lends intended for the cultivation of rice in zeros where that crop is authorized lends reserved for the cultivation of vegetables, cucurbitacous plants, seems and earth-nuts; lands watered by wells receiving their water from subterrances sources and having no commication with any canal; islands surrounded by water and lands on the banks of canals connected with the water of the Nile and lands lying between the two banks of the Nile.
 - (4) All contravantions of these provisions will be punished by applications of the terms of the Doeros published on May 15, 1905.
 - (5) The Under Secretary of State is charged with the execution of this order.



REMAINS BY

ECEPTIAN MINISTER OF FINANCE

RECARDING

1951-32 BUDGET

P. K. Norris

Sonior Murketing Specialist

Cairo, Egypt

Narch 24, 1931.



Attached is a copy of a press report of the speech of the Minister of Finance, in which he outlines some of the items to be considered in the 1951-1952 budget. The portion enclosed deals exclusively with Egyptian exports, - primarily agricultural products - cotton making up the principal commodity exported. It will be noted that the statement is made that the American tariff has had a very bad effect on the Egyptian export of long staple cotton, and that an effort is being made to convince the American Government that the tariff is the wrong policy.

I think that the statistics cited in this note have not been released officially, and for that reason they may be of particular interest.

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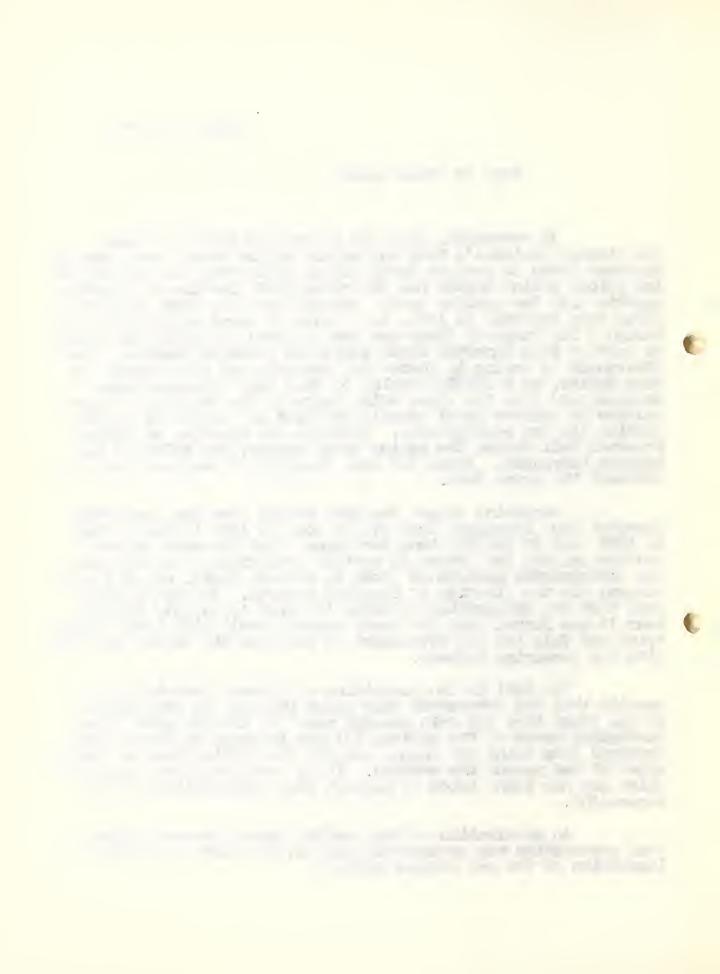
Copy of Press Report

In commenting upon the export and import figures, the Finance Minister's Note on the new Budget states that despite measures taken to protect local coreal industries, on account of low prices ruling abroad and the consequent flooding of Egyptian markets with low quality goods, 200,000 tons of wheat and maise flour were imported in 1930, to a value of about 12,000,000. Although a few kinds of flour are not produced in Egypt, the greater part of that imported could easily be produced locally. The Government is trying to foster the industry and has imposed customs duties, on a sliding scale, to that end. Perhaps those measures and also the stops being taken by the Ministry of Agriculture to improve local coreals may lead in the end to Egypt's meeting its own requirements. Although the quantity of timber imported fell during the period under review, the value of the imports increased. About the same quantity of coal was imported, although the price fell.

Regarding sugar, the Note states that the cumntities imported have increased from 71,000 tens in 1928 to 98,000 tens in 1929 and to 130,000 tens last year. The increase in production and the low prices in certain countries, ever and above the everywental assistance given in certain lands, are the main reasons for the flooding of Egyptian markets. In view of the fact that the consumption of sugar in Egypt is roughly 150,000 tens it was feared that the heavy imports would kill local industries and this led the Covernment to conclude its recent agreement with the Sucreries Company.

The fall in the quantities of tobacco imported was so drastic that the Government took great interest in the matter. It was found that the main reasons were (1) the decrease in the purchasing power of the nation, (2) the increase in the amounts received from China and Japan, and (3) the adulteration of tobacco after it had passed the customs. It is hoped that the endeavors which are now being taken to present such adulteration will be successful.

An examination of the monthly import novement shows that speculation was excessively rife in the month preceding the imposition of the new customs duties.

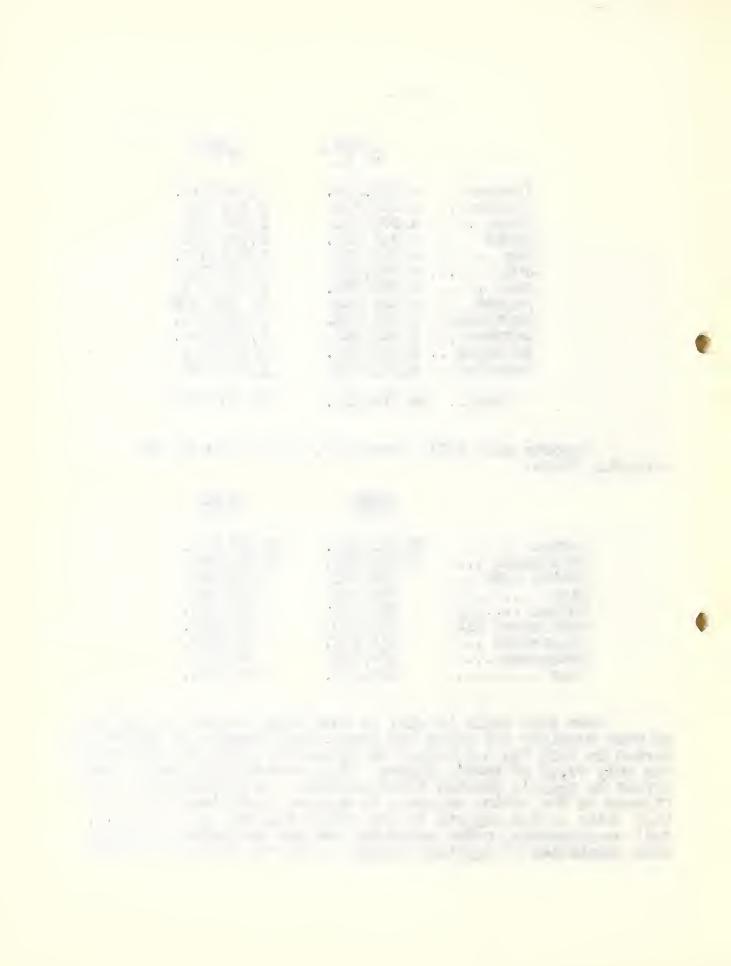


	1929 5. E.	1980 L B.
January Fobruary March April May June July August Soptober Movember Docember	4,795,369. 4,233,940. 4,967,971. 4,941,067. 4,290,575. 4,016,737. 4,375,751. 4,624,768. 4,834,048. 5,360,512. 5,416,495. 5,111,792.	6,454,213. 9,459,424 2,358,541. 2,727,476. 2,771.857. 5,040.431. 5,023.671. 5,363.069. 5,735,566. 5,811,545. 5,350,645. 5,377,802.
Total 5	66,274,912.	47,408.323.

following Table:

	1029 L E.	1950 2 E.
Cotton	41,361,040. 2,610,010. 906,861. 974,020. 872,411. 471,420. 361,916. 177,201. 320,350.	25,763,474. 1,864,540. 906,831. 632,697. 540,259. 424,953. 312,279. 258,139. 357,683.

From this table it will be seen that the fall in cotton in both quantity and value was large. The quantity of cotton exported in 1950 did not exceed 78 percent of 1929, and the value was only 67.5% of 1929's figure. This deficit had a very great effect on Egypt's foreign trade balance. An examination of the figures of the cotton exported to various countries will show that while cotton exports to the United Kingdom and the U.S.A. fell considerably, other countries are now consuming considerable quantities of Egyptian cotton. Although England is still



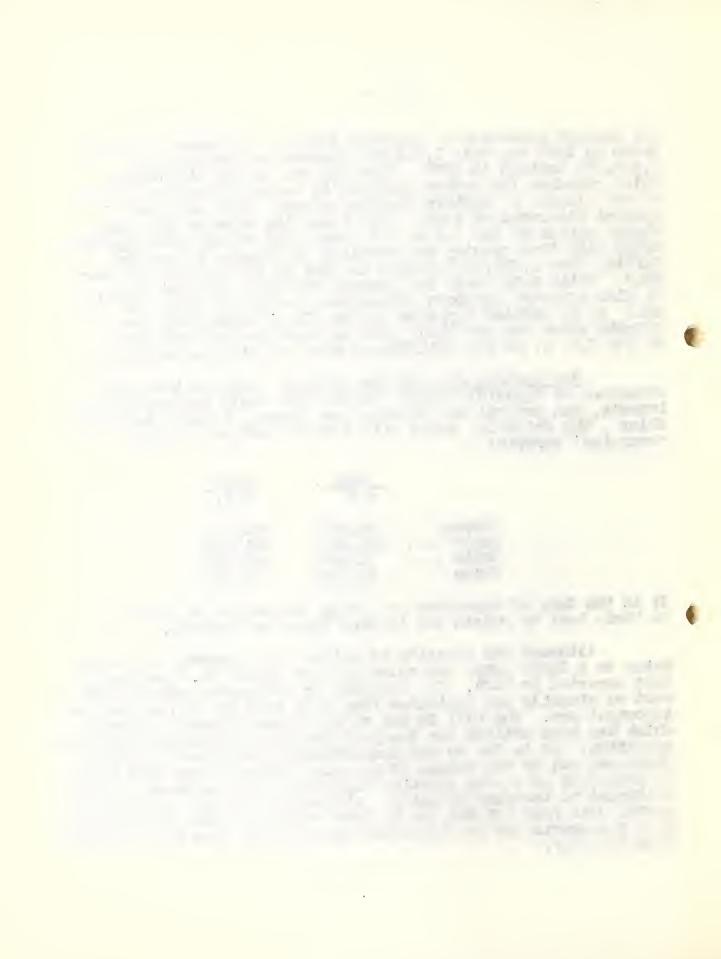
the largest purchaser of Egyptian cotton, the amount exported there in 1930 was only 1,919,000 kantars as compared to 2,607,000 kantars in 1929. This was due to the stagnation which attacked the cotton industry in Lancachire as the result of the closing of certain foreign markets, over and above general slackness of trade. The heavy tax imposed upon long staple cotton by the U.S.A. had a very bad offect upon Egyptian trade with that country and resulted in exports to America falling from 1,277,000 kantars in 1989 to 375,000 kantars last year. While this heavy tax gravely affected Egyptian trade, it also affected American industries, certain of which are unable to do without Egyptian cotton. It is hoped that the offerts which are now being made to convince the Government of the U.S. A. of the futility of this tax will be successful.

How Outlots for Expetien Cotton: Amongst the other consumers of Egyptien cotton, Germany and Spain Increased their imports, and several new markets were opened, notably India and China. The following table will show the extent of these countries' imports:

	1929 1 E	1989 1 E.
Gornany	488,000	578,000.
Spain	209,000	301,000.
India		255,000.
China	13,000.	29,000.

It is the duty of emporters and those interested in cotton to do their best to retain and improve these new markets.

Although the quantity of cotton seed experted was large, owing to a large crop, the value did not exceed 71.4 percent of that experted in 1929. The increase in cottonseed cake experts went on steedily and indicates that this industry can be made an important one. The fall in the value of the digarette experts which has been noticed for the past few years, requires immediate attention. It is due to the competition of European factories which are run by the owners of Egyptian factories and sell what is described as a pure Egyptian eigerette. The phosphate industry continued to increase steadily. Although the number of eggs experted fell from 149,266,000 in 1929 to 98,267,000 it is hoped that the permission for increased experts this year will increase this industry.



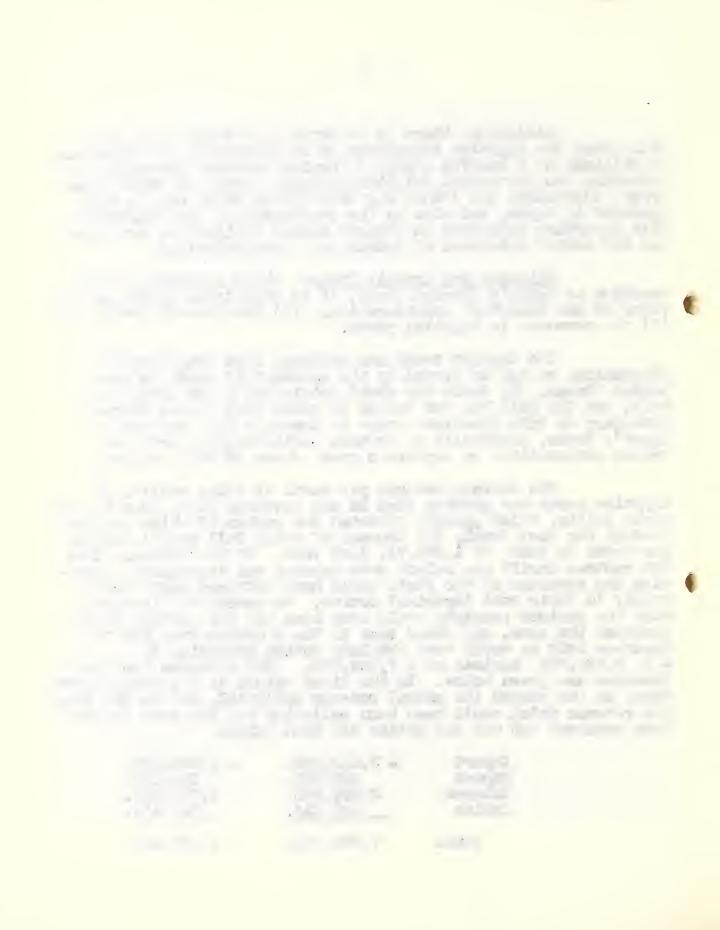
Altogother there is no doubt that there is a very wide scope for Egyptian industries to be increased, and this can be attained by a careful study of foreign markets, improving and extending the commercial relations between Egypt and other countries, increasing the demand for commodities which can be best produced in Egypt, and also by the regulation of the relations with importing countries as regards expert facilities, transport and the better selection of agents and representatives.

question of Egypt's foreign trade, it is considered necessary to refer to two important considerations, (1) the transit trade, and (2) the movement in Egyptian ports.

The transit trade has suffered from considerable stagnation, as can be proved by the movement of goods in the bonded Stores. No doubt the world crisis had a bad effect on this, but the fall has now become so great that it has become necessary to take immediate steps to increase this section of Egypt's trade, especially as cortain Meditorranean ports are making preparations to capture a great share of this business.

Exptime ports was greater than in any previous year, despite the world crisis, which greatly affected the number of ships passing through the Sues Canal, the temporal of which fell from 1,996,821 per month in 1929 to 1,875,711 last year. It is fortunate that the customs tariff was raised when temporal was increasing, otherwise the revenues of the state would have suffered most considerably in their most important source. We wanted to discover what the customs receipts would have been had the customs tariff remained the same, and found that in the 8 months from May to December 1930 we would have obtained duties amounting to L.E. 5,585,000 instead of L.7,705,000. The revenues from May to December are given below. In the first column is the category of duty, in the second the actual revenue collected, and in the third the revenue which would have been collected had the same imports been received but had the duties not been raised.

Import	5,622,259.	L 2.092,190.
Deport	582,249.	176,690.
Tobacco	5,459.978.	3,075,500.
Excise	240,614.	243.614.
Total	7,705,100.	5,587,904.



ECONOMIC COMDITIONS IN THE SUDAN

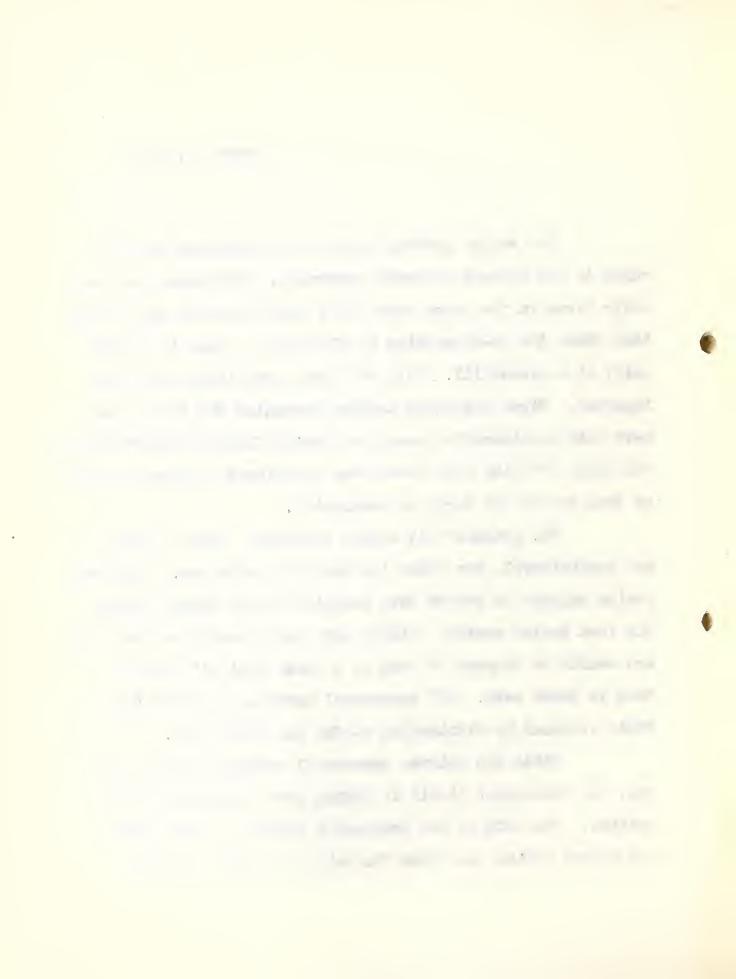
P. K. Norris Cairo, Egypt March 24, 1931



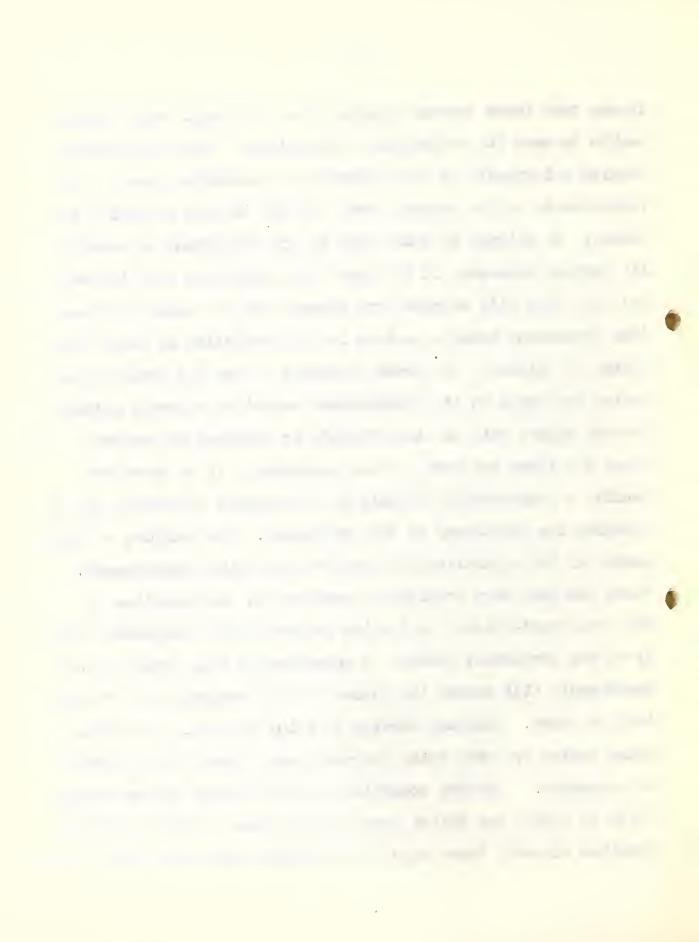
The Anglo Egyptian Sudan is no exception when it comes to the present economic depression. Conditions are probably worse in the Sudan today than they have ever been at any time since the re-occupation by Kitchener. Trade is practically at a standatill. Only the bare necessities are being imported. Firms and large trading companies who in the past have made considerable money, are having financial difficulties, the equal of which have never been experienced before, and many of them are on the verge of bankruptcy.

The prices of all export products, most of which are agricultural, are below the cost of production. Many companies engaged in export have sustained heavy losses during the last twelve months. Others have heavy stocks on hand, and are unable to dispose of them at a price that will enable them to break even. All commercial concerns are reducing their everhead by eliminating clerks and other help.

way, the Covernment itself is facing grave financial difficulties. The bulk of the Government income is from import and export duties, and from the sale of cotton. When the



income from those sources dropped, the dovernment found itself unable to meet its outstanding obligations. These obligations consist principally of the interest on outstanding bonds, the requirements of the Ponsion Aud, and the current operating expenses. An attempt is being made by the Government to curtail its current expenses, in the hope that conditions will improve and that they will receive some income from the sale of cotton (the Covernment being a partner in the production of large quantities of cotton). The funds necessary to pay the interest and retire the bonds on its indebtedness cannot be reduced, neither can the gmount paid to its officials as pensions be reduced. These two items are more or less permanent. It is therefore working a considerable hardship on the present officials, and is reducing the efficiency of the Government. For example, a large number of the Agricultural Inspectors are being discontinued. These men have been considered necessary in the operation of the Government-Private irrigation schemes which contribute largely to the Government income. A reduction in this group of men undoubtedly will reduce the income of the Government to some extent at least. Railroad service is being changed, and in one cases trains are only being operated once a week, in an effort to economise. Another reduction is in the Sudan Defense Force, which is really the Police Force of the Sudan. With this organization scarcely large enough to maintain peace and order, it is



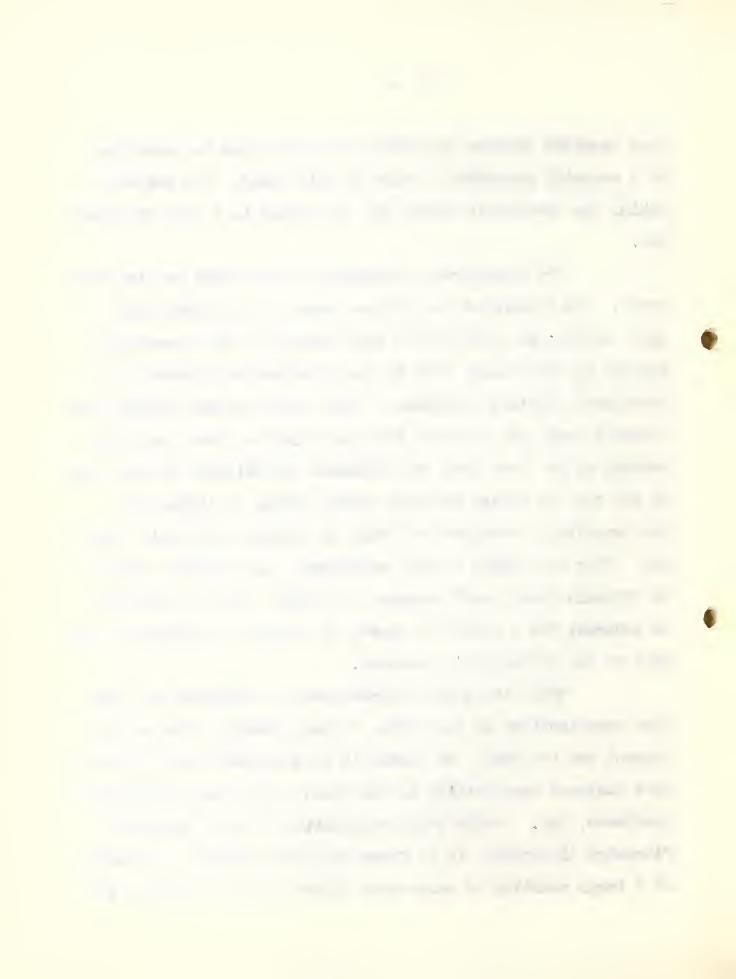
very doubtful whether Covernment officiency can be maintained

if a material reduction is made in this group. The matter of

making the Covernment budget fit the income is a very difficult
one.

acute. The Government has in past years, when incomes were speed, encouraged young men to take courses in the Lovembeat schools and has placed them in large numbers in private and lovernment clerical positions. These young men are trained for clerical work, and now that they are being let out, they have nothing to do. They have been elucated sufficiently so that they do not care to return to their native method of living, but are demanding a standard of living in keeping with their training. They are unable to find employment, and are thus unable to maintain their usual standard of living. Many of them are on contract for a period of years, and cannot be dississed. This adds to the Covernment's problem.

noss organizations in the Sudan, it has probably affected the largest one the most. Of course it is understood that the largest business organization in the Sudan is the Sudan lantation Symilanto, Ltd. hile this organization is in no immediate financial difficulty, it is faced with the robbin of disposing of a large quantity of carry-over cotton, and of adjusting its



expenditures to fit the lower acre yield and lower prices. It is also faced with the difficulty of instilling confidence, and a desire to work, into the natives. The native cultivator on the Syndicate land is by nature lesy. In years of good cetter prices he is content to farm just enough land to enable him to sell sufficient cetten to make a living. In years of poor prices and low yield - such as last year and this year, - he has been unable to occure the same amount of money from the same amount of land, and he has therefore assumed a sort of "don't care" or "that is the use." attitude. When he could work and get enough money to carry him along for a time, he was willing to do so, but when his work brings him little or no return, he is inclined to fall back into his old habit of not working at all. This is one of the many problems of the Syndicate.

Until conditions in the outside world improve to a point where trade is again anxious to pudeout into the far regions of the earth, and is anxious to make some effort for business, the Sudan will be suffering from financial difficulties, over many of which they have no control. The Covernment itself will probably have to be helped by the Egyptian Covernment and the English Covernment, but it is understood that this source of aid will not be available until every possible dellar is cut from current expenses.

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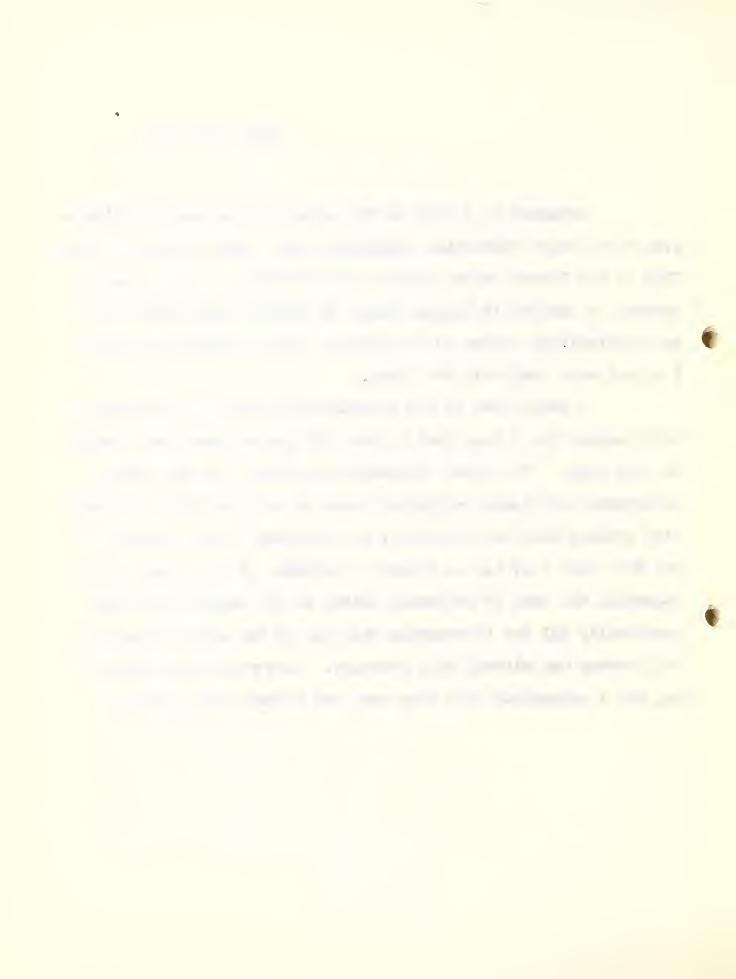
SUDAN PLANEATION STANDICATE, LED

P. K. Norris Cairo, Egypt March 25, 1951



ors of the Sudan Plantation Syndicate, Ltd. made on June 30, 1930. This is the latest Report made by the Syndicate. I have made no attempt to analyze it because there are several terms used that are particularly common to the English, and not being an Auditor I am not sure just what they mean.

I found that it was exceptionally hard to got a copy of this Report, but I hope that no one will ask me just how I obtained this copy. The Sulan Plantation Syndicate, and the Sulan Covernment have taken particular pains to see that only the financial affairs that are favorable, are released to the public. I was told that they had no figures to release at the present time regarding the cost of producing cotton in the Gezira, and that practically all the information they had in the way of expenses and incomes has already been released. They were very polite to me, but I understood that they were not putting out enything.



TIE

SUDAN PLANTATIONS SYNDICATE

end
end
statistist of accounts
June 30, 1050

Twenty-third Ordinary General Moeting, to be hald at inchester House, Old Broad Street, London, E.C. on Tednosday, the 12th day of Nevember 1950, at 12 o'clock.

THE SUDAN PLANTATIONS SENDICATE, LIMITED

Directors:

Alexander MacIntyre, Chairman and Managing Director The Hon. Arthur M. Asquith, D.S.C. (alternate H. Wooding) Sir Bernard Mckstein, Bart. J. A. Hutton Lord Lovet, K. T. Liout-Col. S.H. Pollen, C.M.G.

Manager

H. Poynts-Wright

Bankers

National Bank of Egypt

Solicitors

Holmes, Son & Pott Capel House, New Broad St. London, E.C. 2

Auditors

Cooper Brothers & Co. Chartered Accountents 14 Goorge St. Manaion House, London E.C.4

Socretary

L. Bluon

Trensfer Secretaries A. Moir & Company

Offices 1 London Wall Buildings, London, E.C. 2



THE SUDAN PLANTATIONS SYNDICATE, LIMITED

Notice is hereby given that the Twenty-third Ordinary General Meeting of The Sudan Plantations Syndicate, Limited, will be held at Winchester House, Old Broad Street, London, E.C. on Wednesday, the 12th day of November, 1950 at 12 o'clock mean, for the following purposes:-

To receive and consider the Statement of Accounts and Balance Sheet to June 30th, 1930 and the Reports of the Directors and Auditors thorous;

To doclare a Final Dividend;

To cleet Directors;

To elect Auditors and to fix their remuneration;

To transact the other ordinary general business of the Syndicate.

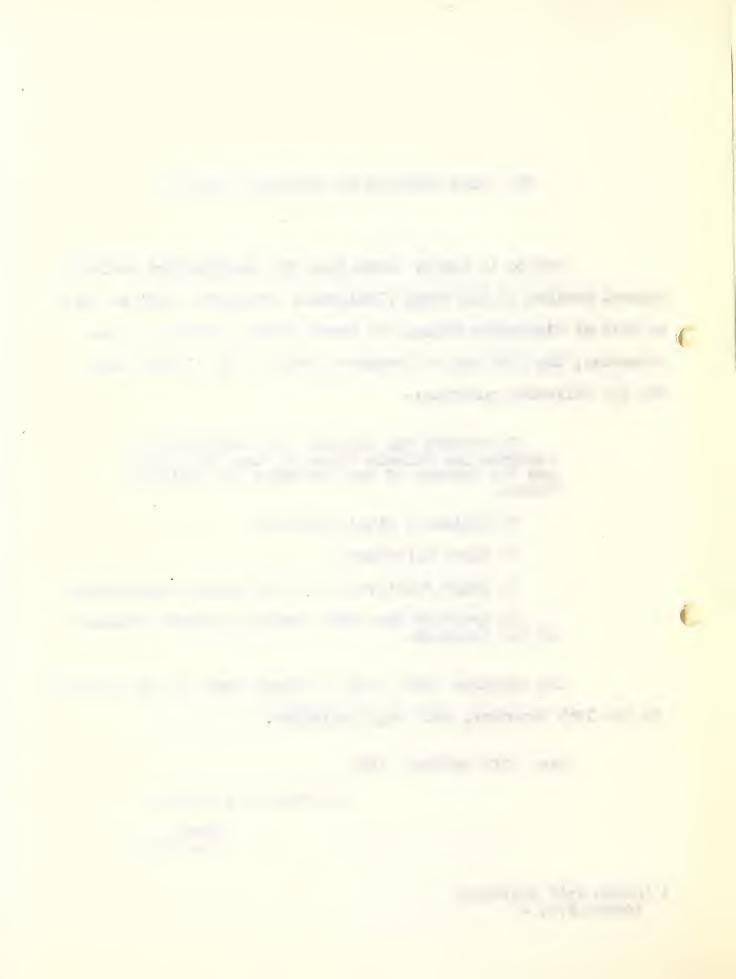
The Transfer Books will be closed from the 3rd Hovember to the 12th November, both days inclusive.

Dated 30th October, 1930

By Order of the Board,

L. Bluon Secretary

1 London Wall Buildings London, E.C. 2



THE SUDAN PLANTATIONS SENDICATE, LIMITED

DEPORT OF THE DIRECTORS

To be presented to the Share-holders at the Twenty-third Ordinary General Meeting, to be held at Winehester House, Old Broad St., London, E. C. on Wednesday, the 12th day of November, 1930 at 12 noon.

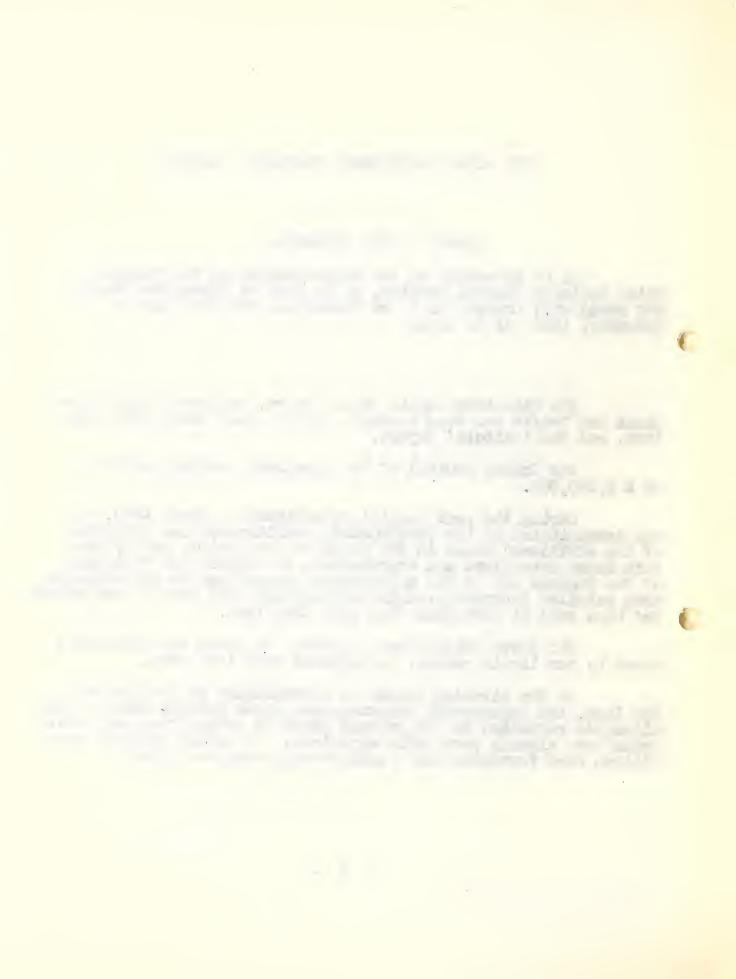
The Directors submit their Report, together with Balance Sheet and Profit and Loss Account, for the year ended 50th June, 1950, and the Auditors' Report.

The Insued Capital of the Syndicate remains unaltered at 1 2,250,000.

During the year Capital expenditure of about 1230,000. was necessitated by the Development, Canalization and equipment of the additional areas in the North of the Gezira, and by certain minor extensions and improvements at Zeidab. The financing of the Tenants and of the agricultural operations on the enlarged area entailed increased running expenditure, and less of our ectton had been sold at 50th June this year than last.

The above factors have combined to cause the diminution shown by our liquid assets, as compared with last year.

In the circular issued to charcholders on the Slat of May last, the unfavorable circumstances which brought about a considerable reduction in the average yield of cotton from our Gezira areas have already been fully explained. At Zeidab climatic conditions were favorable and a satisfactory crop was picked.



The subjoined table shows the areas under cetter and the crops produced, together with the corresponding figures for the previous season:

		1989		1930	
		Area in feddans:	Belos	Aroa in foldens:	Bales:
	GEZIRA	151,551	108,287	158,585	71,385
)	ZEIDAB	5,036	3,855	5,230	3,845

At the 50th June last 4,476 bales of Gezira cotton and 629 Zeidab bales had been disposed of. The average prices realised, although below those of last year, were entisfactory. The stocks have been entered in the Balance Sheet at a valuation based on actual market exicas at the beginning of the present month for the whole crop, less each received on account of sales to the 30th June last.

Good progress is being made with the development of the additional areas entrusted to our management in the North of the Gezira. During the current season the total area under cotton in the Gezira is 175,413 feddens, as compared with 158,585 feddens during the season 1929-1950

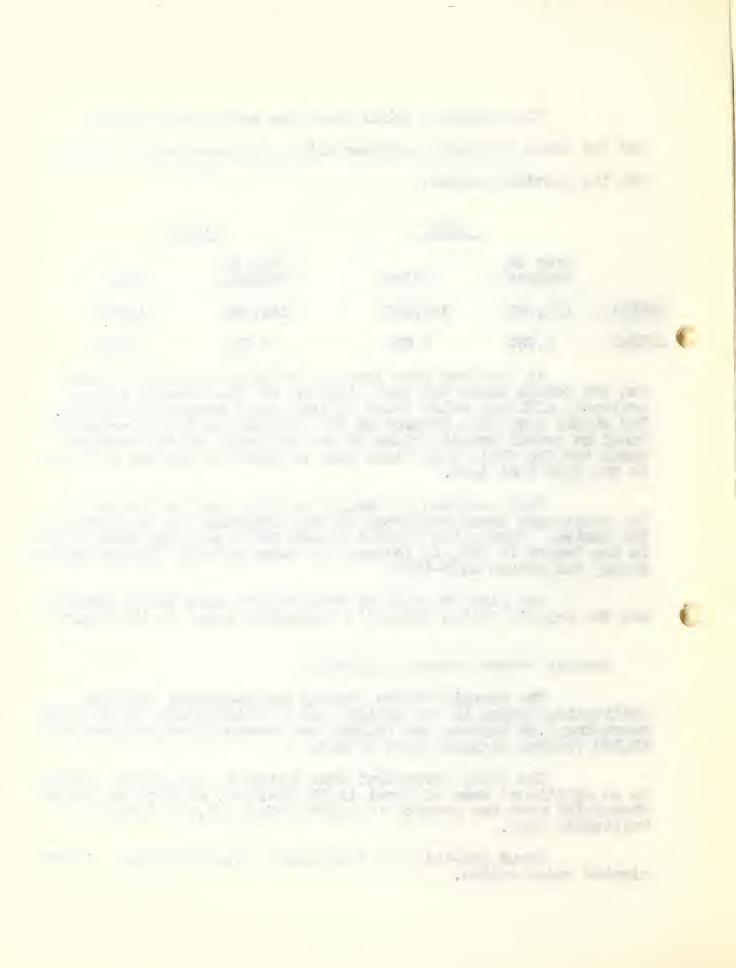
and the Kassala Cotton Company's Concession areas in the Gesira.

Kassala Cotton Company, Limited:-

The Kassela Cotton Company has completed itsfirst cultivating season in the Gezira, and a satisfactory cotton crop, averaging 4.45 kenters per feddan, was obtained from an area of 15,100 feddans planted under cotton.

The Sudan Government have agreed to the Company taking in an additional area of about 15,000 feddans, so that its whole Concession area now amounts to approximately 61,500 feddans of cultivable land.

About one-third of this area - 20,600 feddans, is now pleated under cotton.



Parana Plantations, Limited:

The cricasion of the Sao Paulo-Parana Railway, which will serve the lands in which Parana Plantations, Limited, is interested, has proceeded rapidly, and the Railway has reached Kilo. 125. Arrangements have recently been made for the extension of the Railway from this point to Jatehy on the Tibagy River (Kilo. 186) which is about 22 hilometres from the boundary of the Company's land. Work on this section will be delayed pending the restoration of settled conditions in Brazil.

Notwithstanding the difficult conditions which have provailed in Brazil during the past year, some sales of land have been effected on satisfactory terms.

Suden Selt, Linitod:

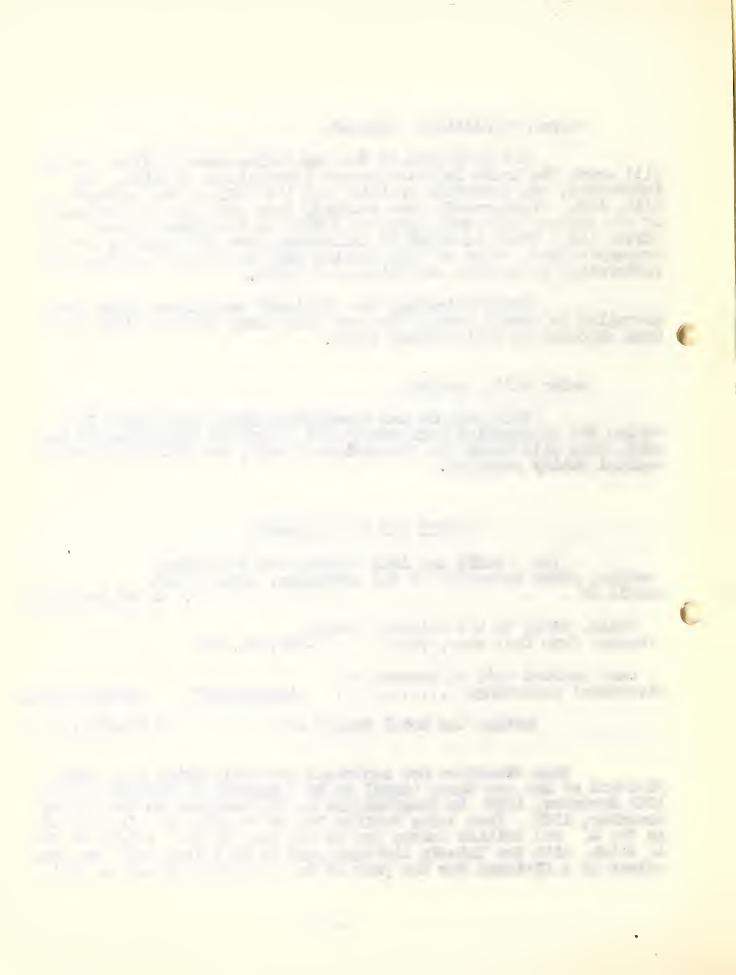
This Company has encountered great difficulty in making the evaporation pans watertight, owing to the nature of the soil. This will delay the production of salt, and will increase the capital outlay required.

PROFIT AND LOSE ACCOUNT

which, edded to the balance brought forward from last year, viz: 1497,490. 3/2

Less payment made on account of Directors' percentage 12,335.12/9 484.604.15/5 brings the total credit to 1,711,951.9/5

Nour Directors now recommend the declaration of a Final Dividend of is. per Share (equal to 5%) payable on Shursday, the 13th November, 1930 to Shareholders on the Register on the 1st of November, 1930 less Sudan Profits Tax at the rate of is. 5-7/2d in the L, and British Income Tax at the rate of 5s. 0-1/3d in the L, which, with the Interim Dividend paid in July last, will be equivalent to a Dividend for the year of 2s. per Share (equal to 10%)



Brought forward....1711,981. 9/3

This final Dividend emounting to 1112800 .- /together with the Interin Dividend of 112500.-/-

Loaving a balance to be carried forward.. 186,951. 9/5

L 711,951. 9/S

Your Directors greatly regret to report the death, on the 10th June 1950, of their machesteemed colleague and Deputy Cheirman, Sir Frederick Edistein, Bart., whose unceasing efforts in the interests of the Sudan and of this Company were so largely responsible for the successful devolopment of the Gesira Plan as a vest cotton-growing area, with assured food erops for its inhabitants.

Lord lovat, who rotires in accordance with the Articles of Association, offers himself for re-election.

Liout-Col. S. H. Pollon, C.H.G. and Sir Bornard Eckstein, Bart., retire by rotation, and, being eligible, offer themselves for ro-election.

The Auditors, Messrs. Cooper Brothers & Co. retire, and offer thenselves for re-election.

Dated 98th October 1930

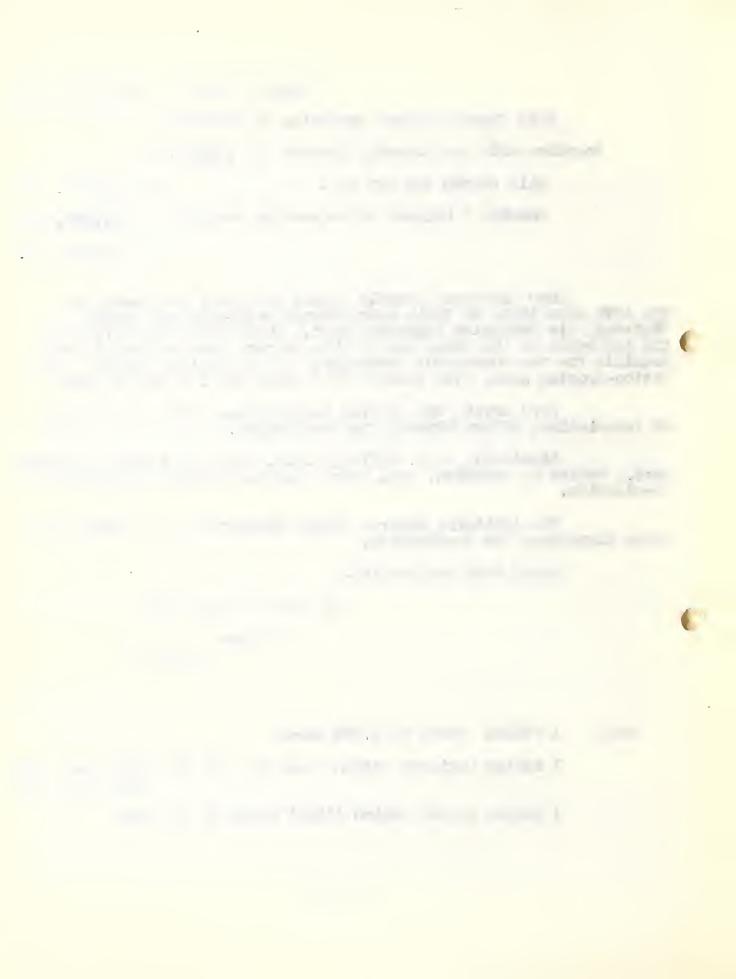
By Order of the Board

L. Bluen . Secretary

Note: 1 feddan equal to 1.058 acres

1 kanter unglaned cotton ocual to 313 lbs. (190 lbs. lint 212 lbs. seed

1 kentar ginned cotton (lint) equal to 100 lbs.

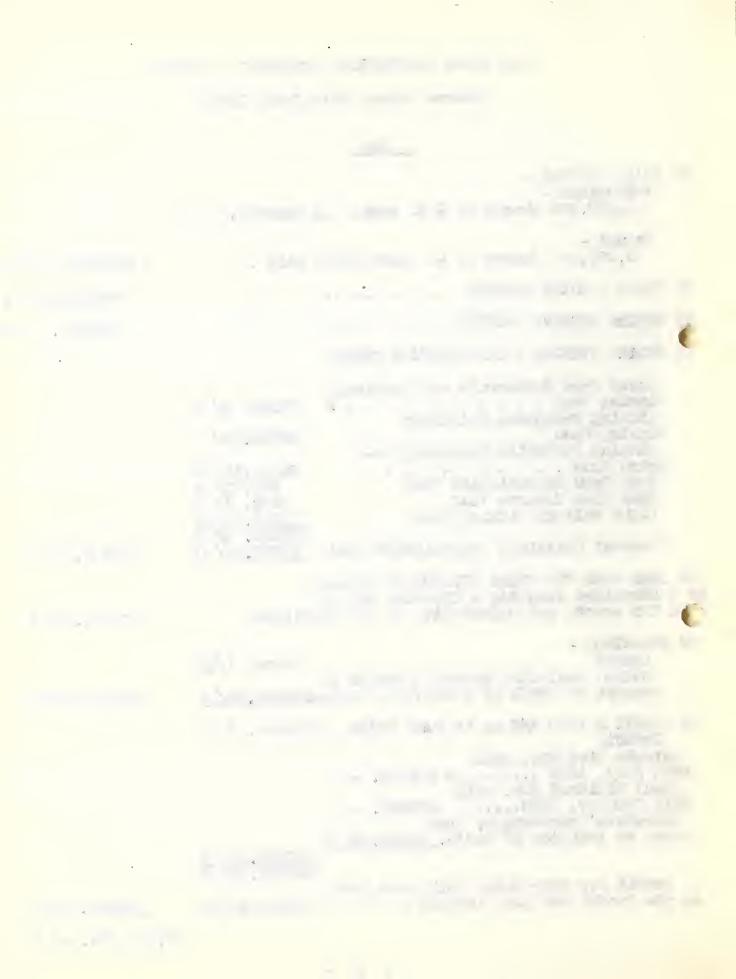


THE SUDAN PLANTATIONS SYNDICATE, LIMITED

Balance Shoet, Soth June, 1950

DR.

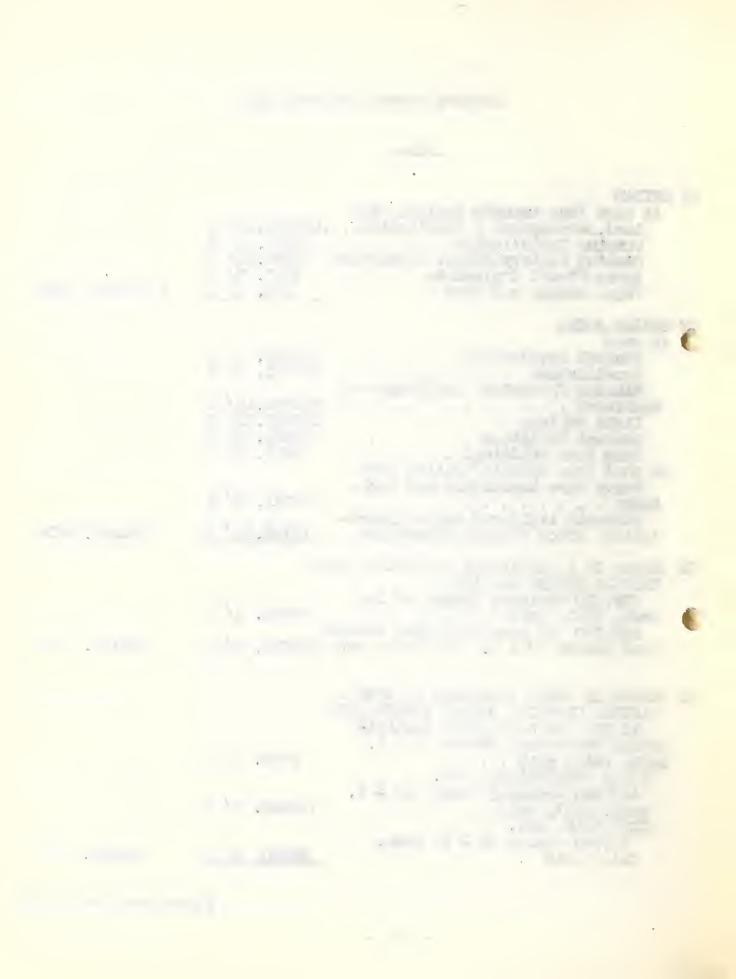
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TO SHARE CAPITAL - Authorised - 2,500,000 Shares of & 1. each 2500000. 0/ 0	
Issued - 2,250,000 Shares of M. each, fully paid	£2250000. 0/ 0
TO SHARE PREMIUM ACCOUNT	1690261.18/6
TO GEZINA RESERVE ACCOUNT	225000. 0/0
TO CEZIRA SINKING & DEPRECIATION FUNDS:	
Hoavy Farm Implements and Machinery Sinking Fund 79242. 9/1 Cinning Factories Buildings Sinking Fund 17085.15/0 Ginning Factories Machinery Repairs Fund 58006.15/3 Seed Farm Depreciation Fund 760.15/5 Seed Farm Reserve Fund 517961.14/11 175294. 8/6	
General Buildings Depreciation Fund. 15880.14/0	191175. 2/6
by a Debenture creating a floating charge on the assets and undertaking of the Syndicate	400000.0/0
TO CREDITORS - London	685480.17/10
TO PROFIT & LOSS A/C as at June 30/29 1059990. 8/ 2 Deduct: Interin Divi. #24, paid 25th July, 1929	The state of the s
Profit for year ended 30th June, 1950, as per Profit and Loss Account 227346.13/10	711951. 9/ 5
	16,153,871.8/1



Balanco Shoot 50th Juno 1950

CR.

At cost less amounts written of: Lend, Devolopment & Canalisatio Pumping Installation Ginning Factory, Bldgs. & Furnit Agricultural Implements Tugs, Bargos and Boat	on199491.12/2 28900.0/0 turo 27256.11/3 2000.0/0
At cost Conoral Development Conalisation Ginning Factories, Buildings Machinery Light Railway General Buildings Sood Farm Buildings At cost loss amounts written off Heavy Farm Implements and Machinery	277479. 2/5 and . 657756:12/0 . 170298:18/2 . 485821. 3/9 . 9001. 2/0
Electric Light and Water Insta lation, Motor Vohicles&Furniture	31-
BY SHAPES IN A SUBSIDIARY COMPANY AS EASSALA COTTON CO. LITD - 475,000 Ordinary Shares of 1s oach, fully paid	23750. 0/ 0
BY SHARES IN OTHER COMPANIES AT COST CAMBUNIX COFFEE & COTTON ESTATES 10,000 35 Curulative Participating Preference Shares of 11. oach, fully paid PARANA PLANTATIONS, LED. 147,263 Ordinary Marcs of 1. oach, fully paid SUDAN SALE, LED. 35,900 Marcs of 11. oach, fully paid	9750. O/ O



Dalance Shoot 30th June 1930

CB.

BY STOCK OF COTTON AND COTTON SEND HELD BY AGENTS, AND IN TRANSIT, AT DIRECT- ORS' VALUATION, LESS AMOUNTS RE- CEIVED ON ACCOUNT OF SALES & 1266953. 1/9	
EX STOCKS, STORES AND BUILDING MATER- IALO IN THE SUDAN, TAKIN AND CER- TIFIED BY OFFICIALS OF THE COMPANY	L 1513558.14/4
EV DESTORS	294602.10/4
BY AMOUNT OWING BY A SUBSIDIARY COMPANY Reseale Cotton Company, Ltd	29646. 5/ 1
EX BRITISH COVERNMENT SECURITIES L 1005117.17/ 5 BY BRITISH COVERNMENT SECURITIES A/G	
Light Reilway Sinking Fund 10026. 7/2	1018944. 4/ 5
EX CACH AT BANKERS, ON DEPOSIT AND IN 563773.14/11 Sudan	620515,10/3
	16,165,871.8/1

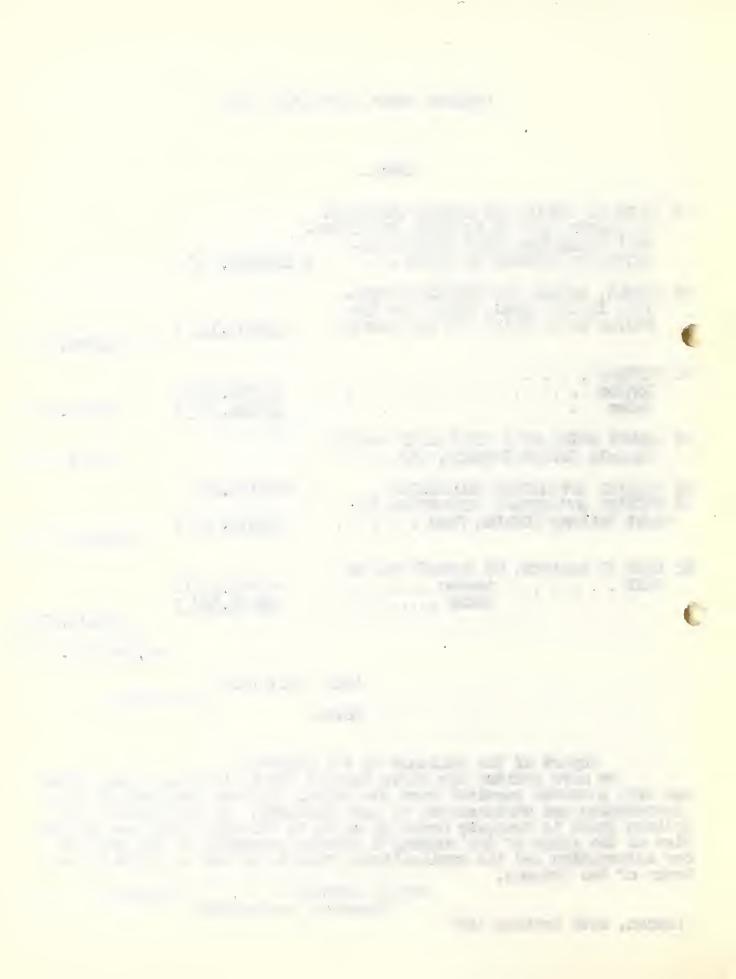
Report of the Auditors to the Members:

We have audited the above Dalance Sheet with the London Books and with accounts received from the Sudan. We have obtained all the information and explanations we have required. In our opinion such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us and as shown by the Books of the Company.

COOPER BROTHERS & CO. Auditors

Chartored Accountants

London, 33th October 1930



SUDAN PLANTATIONS SYNDICATE, IMITED

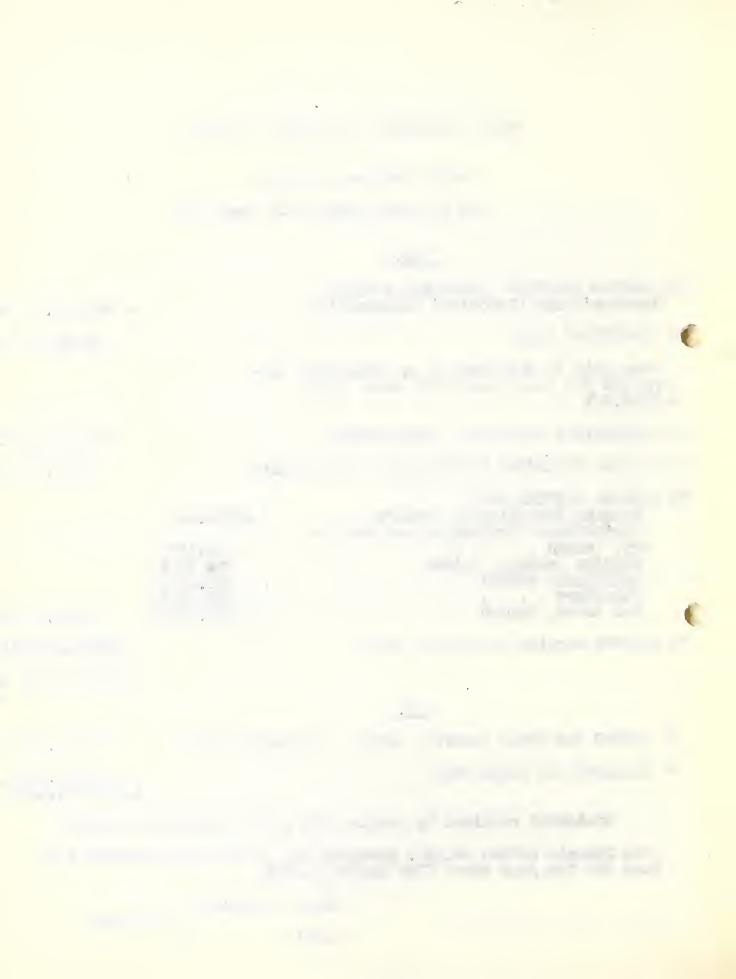
For the year ended 30th June, 1930

DR.

TO	CHIERAL EXPLISES, including Managing Director's and Directors' rununcration	1 186,951. 7/9					
00	DIRECTORS' FEES	2,183. 7/ 2					
Di	Fees paid to Directors by a Subsidiary Con- eny for the year ended 80th June, 1930, 1835.7/1						
TO	CULTIVATION EVENEES & TAKES, ZEIDAB	16,694.13/0					
TO	GENERAL BUILDINGS D PRECIATION FUND (GEZIMA)	4,431. 9/ 3					
	AMOUNTS WRITTEN OFF: Purping Installation, Zeideb	4,439. 7/6					
	·	1 442,006.10/6					
	<u>CR.</u>						
B	COTTON AND OTHER PROFIES, RIMES, & BALANCE INTERNSE.	. 441,714.14/0					
B	TRANSFER AND OTHER FEES	390. 4/6 442,006.18/6					
	Statement required by Section 126 of the Companie	a Act,1999					
The Kassala Cotton Co.Ltd. provided out of the earry-forward its loss for the year ended 31st December, 1929.							
	Alex. MacIntino)						

Lovat

Directors



PETITION

OF -

MAINTANADES ACREAGE

P. H. Norris Ceiro, Depri Nerch 25, 1951



striction of Sakollarides acreage. On February 4th the Council of Ministers approved the plans for the restriction of the acreage, and the King signed the Decree on February 5th, a copy of which is attached to this Report. The restriction of the acreage to certain areas in the Delta for a period of 3 years is an attempt on the part of the devenment to bring about an increase in the price of this variety of cetten. It is stated that the production of Sakollarides for the season of 1930 was comothing over 2,300,000 Kentars, and that the consumption requirements will not exceed 1,500,000 Kentars. It is the object of the Government to keep the production down to the requirements, if possible.

The opinion provailing in Egypt, outside of official circles, is that this restriction will do very little good, and that it will do very little harm. It is pointed out by those who are opposed to any type of Covernment interference, that there are several varieties of cotten which are almost equal to Sakellarides in quality and that there is no attempt made to restrict the growing of these varieties. It is further stated that it is unfair to those who live outside of the area selected as being favorable.

 for the growth of Schellardes to deprive them of the right to choose the variety they think best adapted to their conditions. However, this argument has very little force in Egypt because the Covernment dictates in practically everything, and the matter of personal liberty is almost unheard of.

The Minister of Agriculture has chosen the greas in the north section of the Delta in which Sakellarides has always shown the best results. The area in the some, if the 40% restriction is not exceeded, will amount to 563,000 acres, and this is estimated to produce 1,500,000 Kantars.

as their private opinion that the law cannot be enforced, but that conditions are such that this year the acreage will not enceed the 40% and that very few attempts will be made to plant Sakellarides outside of the district nessel. Just what it will be when conditions change, is hard to say, but they are of the opinion that the economic conditions in the country. — rather than the machinery of the Government — will be responsible for the reduction in acreage this year.

Note: This Report was delayed, due to my being away on the Auden trip.

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PESTRICTION OF

LANGILLARIDES ACREAGE the state of the same of the s

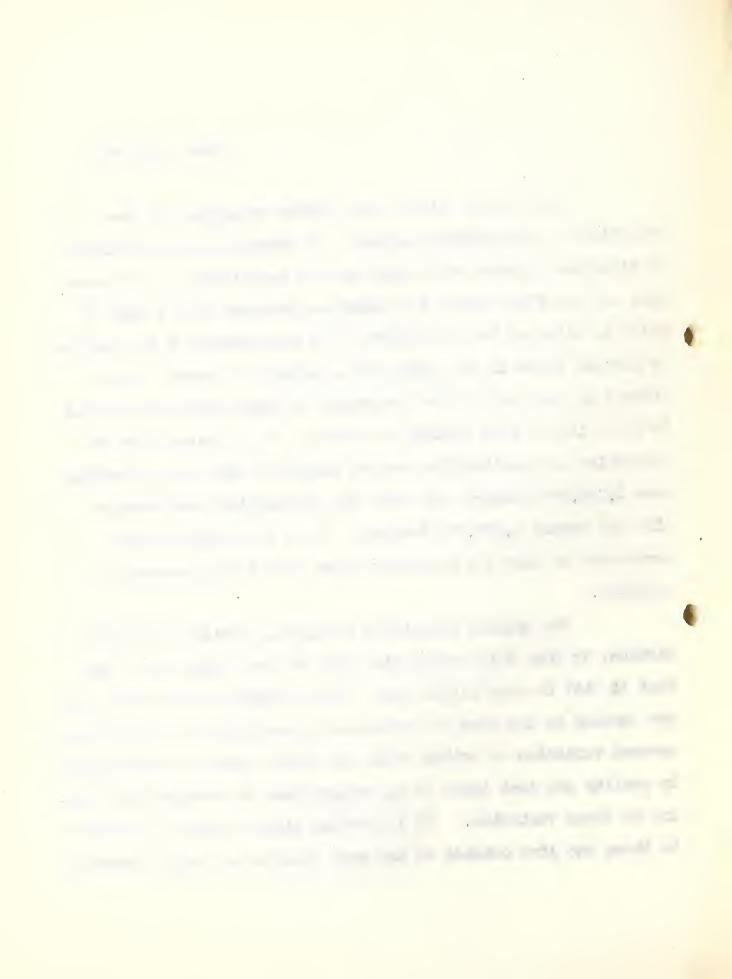
the same principal of the second of the second of the parties from the

F. K. Norris Colro, Egypt March 23, 1931



From time to time I have cabled regarding the restriction of Bakellarides acroage. On February 4th the Council of Ministers approved the plans for the restriction of the acroage, and the King signed the Decree on February 5th, a copy of which is attached to this Report. The restriction of the acroage to certain areas in the Delta for a period of 3 years is an attempt on the part of the Government to bring about an increase in the price of this variety of cotton. It is stated that the production of Eskellarides for the season of 1950 was semething over 2,500,000 Kantars, and that the consumption requirements will not exceed 1,500,000 Kantars. It is the object of the Government to keep the production down to the requirements, if possible.

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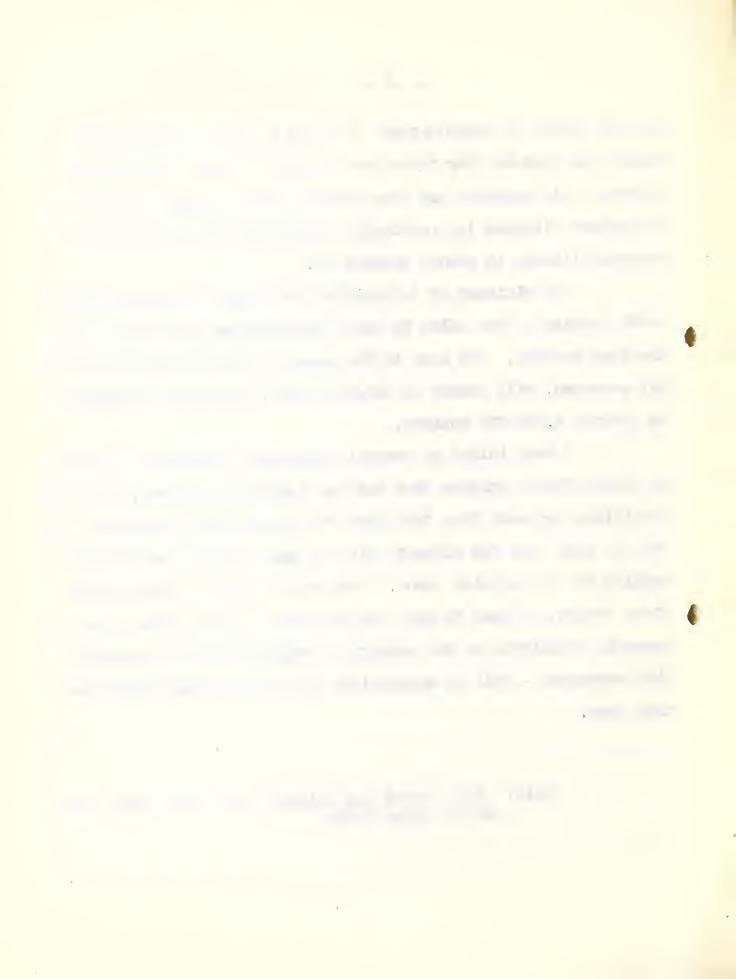


for the growth of Sakellarides to doprive them of the right to choose the variety they think best adapted to their conditions. However, this argument has very little force in Egypt because the Government dictates in practically everything, and the natter of personal liberty is almost unheard of.

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Note: This Report was delayed, due to my being away on the Sudan trip.



DECREE NO. 20 RESTRICTING ACREAGE OF SAKHLLARIDES COTTON

We, Found 1st, King of Egypt Considering our Rescript No. 70 of 1930

On the proposal of our Minister for Agriculture and the favorable advice of our Council of Ministers:

Decroo:

Articlo 1 - It is prohibited to plant Schellarides cotton outside of the zone north of the Delta, as designated in the arnex hereto, and on the maps attached to the present law.

It is furthermore unlawful for any individual to plant Sakellarides cotton to an extent of over 40% on any land which he controls, - regardless of the ownership. In calculating the area, no account will be taken of waste land, whether cultivable or not. This 40% shall be exclusive of any land on which texable property is constructed.

Article 2 - The definition Sakellarides includes the Original variety of the said cotton, the Sakellarides of the State Dorning, and all new varieties of Sakellarides which may be recognized as such by Ministerial order.

Article 5 - In arriving at the proportion of land to be planted to Sakollaridos, there shall be taken into consideration all areas occupied by gutters, drains, dikes, railroads, paths and other improvements, as well as gardens, orchards, dwellings, stores and any other buildings.

Article 4 - The nurvey to determine the 40% of land for Sakellarides planting which is to be allowed any one individual, shall be made village by village. The planting of Sakellarides on any land in excess of the 40% thus ditermined, shall be considered unlawful.

However, if an individual has holdings of land in several adjacent districts, and wishes to contralize his planting of Sakell-arides he may, by making the necessary arrangements with the Minister of Agriculture, exceed the 40% in a certain district chosen by him, provided the total acreage of Sakellarides does not exceed 40% of the said individual's holdings, all within the zone specified above.

200 the second second section and the second section and the 4 . Article 5 - If there is any infringement in connection with this Decree, the infringer, if present, will have an opportunity to make a verbal statement to the officials, failing which he will be officially notified of the infringement.

Article 6 - Failing an agreement within 8 days of the notification of infringement, the officials of the Ministry of the Interior will proceed, at the request of the Ministry of Agriculture, to destroy the disputed plantings, without penalty of prosecution. Such destruction will not take place, however, after June 30th.

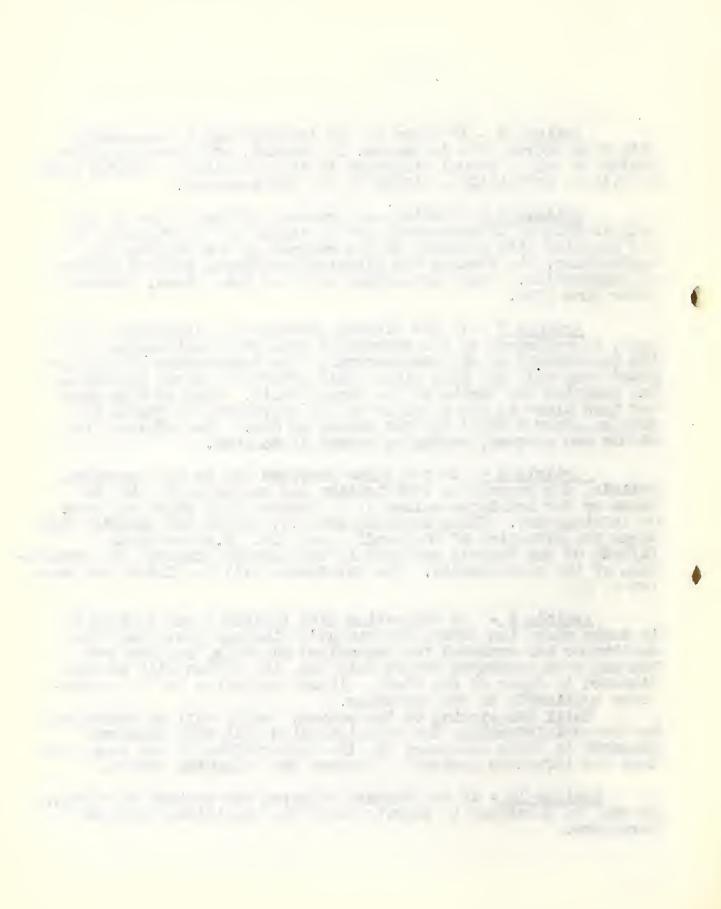
Articlo 7 - If the dispute concerns the situation of the land, in reference to the authorized zone for Sakellarides, or the correctness of the measurements, the destruction of the disputed crop will not take place until after the Survey Department has verified the limits or the measurements. Such verification may take place in the presence of the infringer, or during his absence, after 3 days written notice to him. The infringer may, at his own expense, employ an expert if desired.

Article 8 - In the cases provided for in the preceding article, the expense of vorification and measurements will be borne by the infringer unless it is decided that there has been no infringement. These expenses are P.T. 100 if the dispute concerns the situation of the lands, and P.T. 0.5 per kirat (1/24th of one feddan) measured if the dispute concerns the correctness of the measurements. The cultivator will be allowed an overmum of 5%.

Article 9 - In connection with Article 6 and Article 7, in cases where the Survey Department's findings prove that the cultivator has exceeded the prescribed planting, and the crop has not been destroyed before July 1st, the cotton will be confiscated in favor of the State, without prejudice to the punishments applicable to the infringer.

Until the picking of the cotton, which will be undertaken by the Administration, the Administration will take whatever measures it does necessary for the conservation of the crop, unless the infringer prefers to destroy the disputed cotton.

Article 10 - If the dispute concerns the variety of cotton, it will be submitted to experts under the conditions outlined hercunder.



Article 11 - The Minister of Agriculture will draw up each year, for each Governorate or Province, a list of cetten exports who are familiar with the conditions in the various districts. This list will be drawn up with the cooperation of the Alexandria General Produce Association, but if the Alexandria Association fails to cooperate within the time limit set by the Minister of Agriculture, the latter will proceed to make up the required list.

From this list, the cultivator whose crop is under dispute, will choose one expert. The Minister of Agriculture will delegate an expert from his technical officials. In case the two arbitrators fail to come to a decision, a third expert shall be selected from the list, by casting lots.

Article 12 - The request for arbitration must be presented within 8 days from the expiration of the period provided for in Article 6. It will mention the name of the expert chosen, and should be accompanied by a receipt showing the payment of the arbitration fees.

If those two conditions are not complied with, the request will be considered null and void.

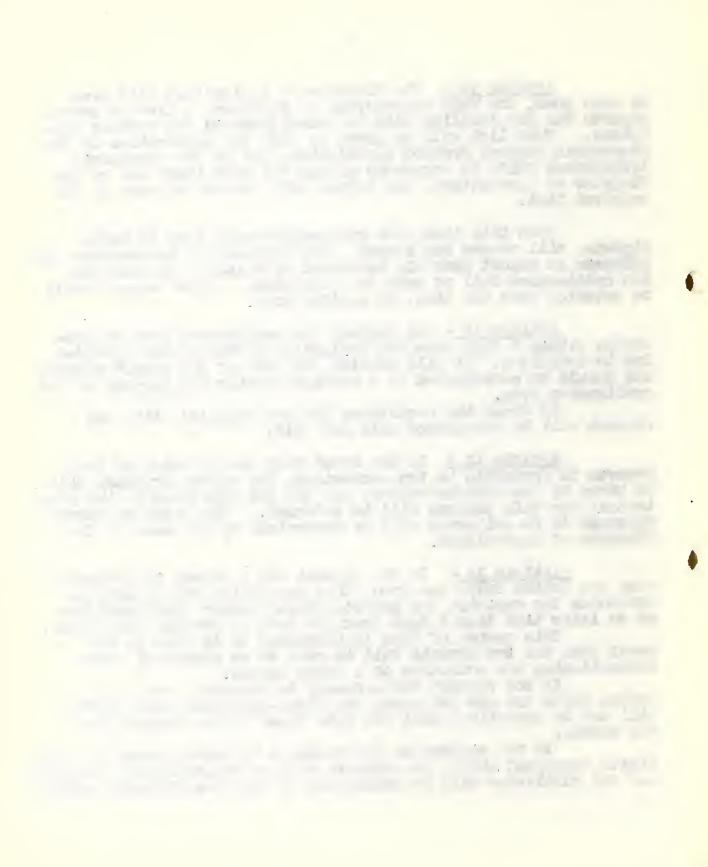
Article 13 - In the event that the decision of the experts is favorable to the contestant, the survey expenses will be borne by the Administration, and the sun deposited by the contestant for this purpose will be refunded. The rates of survey expenses to be collected will be determined by an Order of the Minister of Agriculture.

Article 14 - If the request for a survey is presented when the cotton bolls are open, thus permitting the experts to determine the variety, the experts should render their decision at no later time than 8 days from the date of request for survey.

This period of time is increased to 15 days in the event that the two experts fail to come to an agreement, thus necessitating the selection of a third expert.

If the request for a survey is presented when the cotton bells are not yet open, the above-mentioned time limits will not be operative until the date fixed by the experts for the survey.

If the experts do not render a decision within the time limits mentioned above, the dispute will be automatically cancelled, and the cultivator will be authorised to pick the disputed cotton.



of Article 15 - In cases provided for in Paragraph 2 of Article 12, as well as in cases where the experts may reject the dispute, the provisions of Article 9 will be applicable.

Article 16 - Any infringement against the provisions of this law, or of any Ministerial Order issued in compliance with this law, will be punished by an imprisonment of not exceeding 7 days and by a fine of not exceeding P.T. 100. or by one of the two punishments only.

The sene penalty will apply to any individual who knowingly holds - for any reason whatever - cotton grown in

violation of this law.

In eaces provided for by Articles 9 and 15, the judge will order the confiscation of the cotton in favor of the State.

Article 17 - The Inspectors, Assistant Inspectors, Agricultural Diginoers and "measures" of the Ministry of Agriculture, as well as any technical officials delegated by that Ministry, are invested, for the purpose of the enforcement of this law, with the powers of an officer of the judicial police.

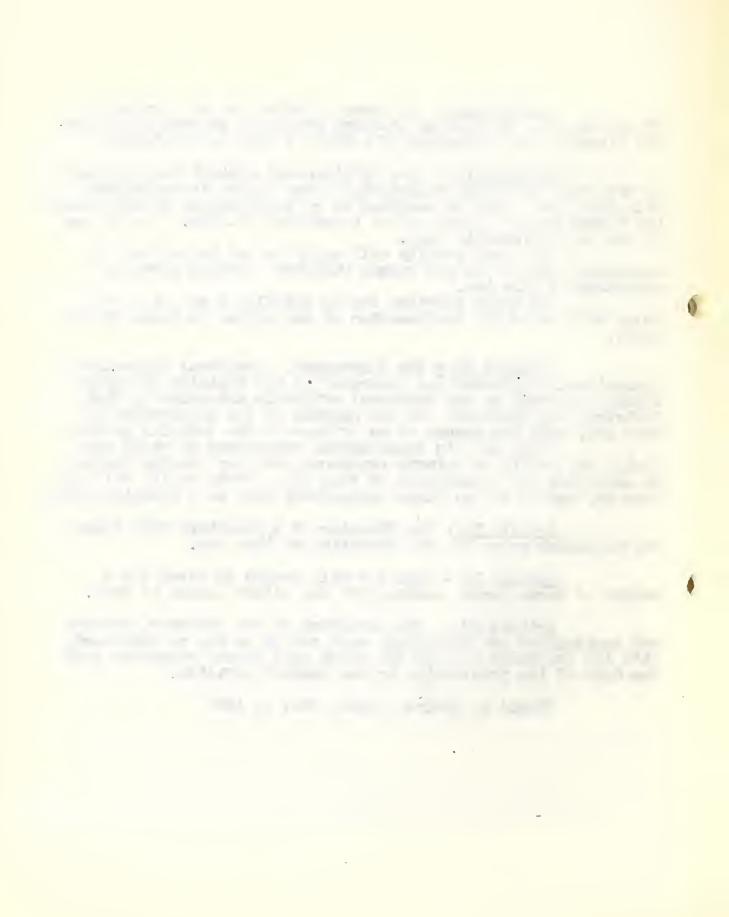
They are, in consequence, sutherized to visit any field, any public or private warehouse, and any ginning factory to supervise the enforcement of this law. These visits will not, however, extend to any place exclusively used as a dwelling place.

any portinent order for the execution of this lew.

period of three years, ending with the cetter season of 1955.

Article 20 - Our Ministers of the Interior, Finance and Agriculture are entrusted, each one in so far as concerned, with the execution of this law which will become effective from the date of its publication in the Journal Official.

Signed at Abdine Palace, Feb. 5, 1931



Annex to Decree No. 20 of Feb. 5, 1931 restricting the production of Sakellarides Cotton

The zone in which cultivation of Sakellarides Cotton is authorized is as follows:

1. Province of Bohora:

- (a) Districts of Danashour, Abou Hormos and Malmoudidi
- (b) Districts of Rafr el Dawar, excepting that portion contiguous to Alexandria which is included between the Mahmoudich Canal on the south; the shore of the Meditorranean See on the north and west; and, finally, on the east, a part, the agricultural read of the Abukir Seciety starting from the Cairo-Alexandria read, and, a part, the shore of the Mediterranean Sea.
- (c) The district of Choubrekit except the part included between the Mile Branch and the canal Schol Morcos
- (d) The district of Ital of Baroud except the part comprised between the Mile Branch and the canal Sahel Morcog.

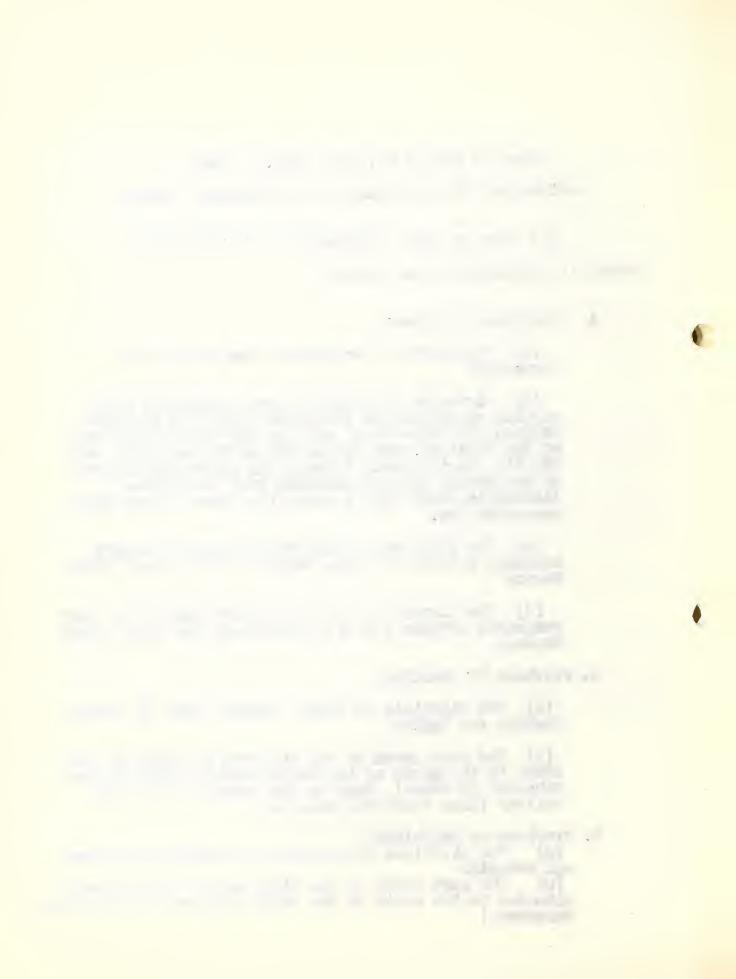
2. Province of Charbich:

- (a) The districts of Four, Dessouk, Kafr el Cheikh, Chebins and Talkha
- (b) The part north of the district of Mchallah situated to the north of the Delta railway (line Kattour-Mchallah el Kobra) then to the north of the State Reilway (line Mchallah-Samennoud)

3. Province of Dekahlich:

(a) The districts of Mansourah, Faraskour, Dekernes and Manzalch

(b) The part north of the district of Simbollawein situated to the north of the State Railway (Line Zagazig-Monsoura.)



APPENDIX TO DECREE NO. 20

Temporary Rostrictions on Schollarides Cotton Seed

We, Found let, King of Egypt

Considering Our rescript No. 70 of 1950
Considering Decree No. 20 of 1951 restricting the cultivation of Sakellarides Cotton;
On the proposition of our Minister of Agriculture and the
favorable advice of our Council of Ministers:

DEGREE:

article 1 - Our Minister of Agriculture will fix ennually by Order the quantity of "tagaoui" sood required for the sowing of Sakellarides cotton.

Article 2 - It is prohibited to any person authorized to trade in cotton seed, to sell seed for the purpose of sowing Sakellarides cotton to persons other than those having a specific authorization from the Ministry of Agriculture, or to sell to them a quantity greater than that indicated in the authorization.

These permits will be delivered in the forms and under

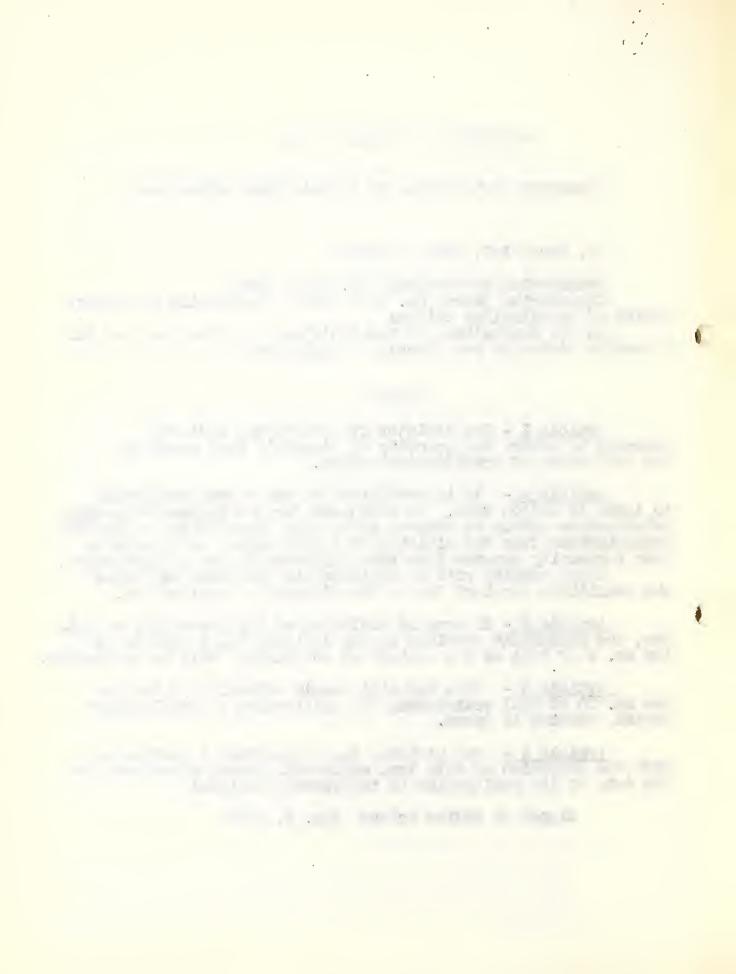
the conditions provided for by the Ministry of Agriculture.

Article 5 - In case of violation of the provisions of this law, the punishment provided for by Articles 15, 14 and 15 of Law No. 5 of 1925 on the control of cottonseed will be applicable.

Lew No. 30 of 1931 restricting the cultivation of Sakellarides cotton, remains in force.

Article 5 - Our Minister for Agriculture is entrusted with the execution of this law, which will become effective from the date of its publication in the Journal Official.

Signoi at Abdine Palace, Fob. 5, 1931



COMMITTEE FOR ADVERTISING EGYPTIAN COTTON

the Committee and the State of the Committee of the Commi

P. K. Norris
Cairo, Egypt.

March 21, 1931.



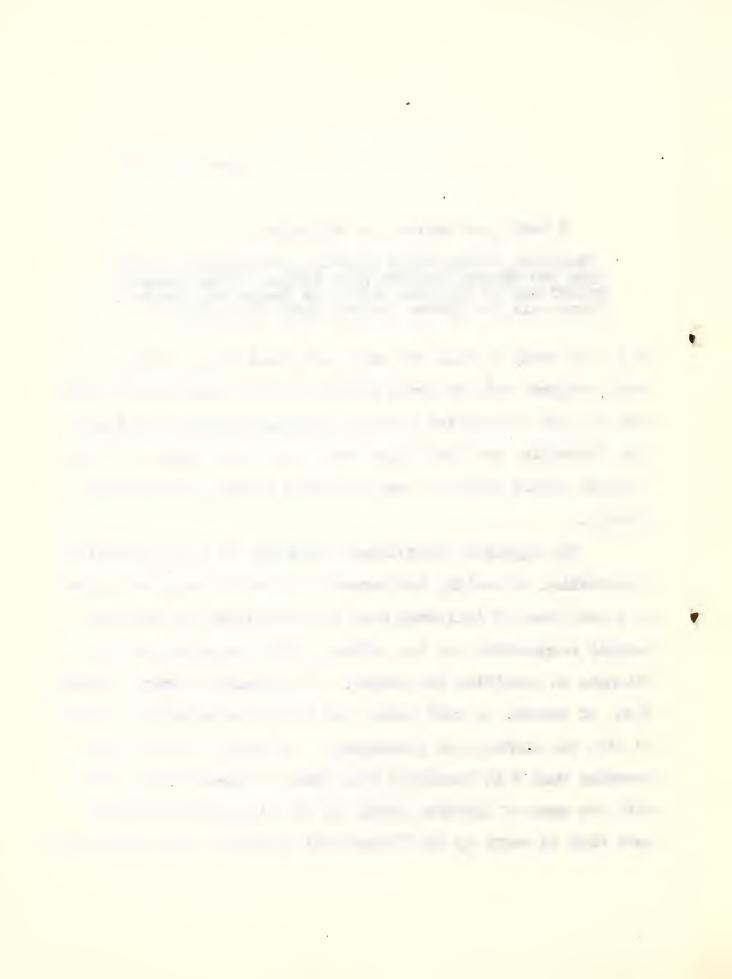
I have just cabled the following:

"Cormittee representing Egyptian Agricultural Syndicate and Coneral Produce Association being formed to extend use of Egyptian Gotton in Europe and America. Plans call for active program along this line."

It is too early to find out very much about this Cormittee or their program, but the press stated that the object was to promote the use of Egyptian Cotton, especially since the price is very favorable, and that there were a good many lines in which Egyptian cotton could be used to better advantage than other growths.

organization of wealthy land-owners who in the past have exertod a good deal of influence over the Government and who are
largely responsible for the action of the Government in its
attempts to stabilize the market. The General Produce Association, of course, is well known, and is the organization connected with the Exchange at Alexandria. It seems to be the impression that this Committee will form a program having to do
with the uses of Egyptian Cotton in the "industrial centers".

Just what is meant by the "industrial centers" is not clear, but



it probably means that offices will be spened in the spinning centers of Europe and America, and that the domnittee will function through those offices.



Cairo, Egypt.

March 16, 1931

Mr. Asher Hobson, Division of Foreign Agricultural Service, U. S. Department of Agriculture, Washington, D. C.

Dear Sir:-

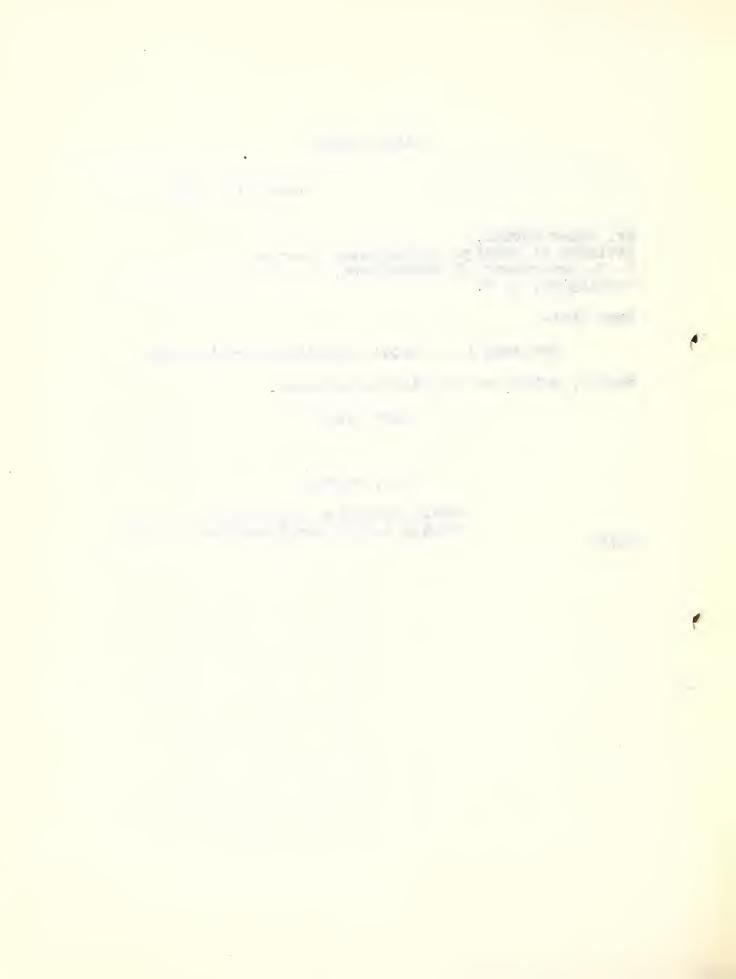
Enclosed is a report regarding Egypt's Water Supply, which you may find of interest.

Yours truly,

P. K. Norris

Senior Marketing Specialist Foreign Agricultural Service Division

PKN/B



WATER SUPPLY

the latest total final and the contract of the

P. K. Norris Cairo, Egypt.



As everyone known, Egypt is entirely dependent upon the rater supplied from the Nile, for the growing of its crops. No crops dependent upon rain are grown in Egypt. It is not the object of this report to discuss the irrigation system of Egypt in detail, but merely to say that Upper Egypt is largely the old, basin type of irrigation, while lower Egypt. - or the Delta section - is what is known as percential irrigation. The water for the delta is held up during the Winter menths by a series of dams and barrages between Cairo and Assuen, the largest one being at Assuen. When the Nile has a normal flow during the Fall and Winter menths, sufficient water is stored at those dams to carry the crop of the Delta through the growing season.

In years past, - particularly in 1922, 1925 and 1924, the Mile was very low, and it was referred to as a "Low Mile" or "Poer Mile", and much of the crop area of the Dolta suffered from lack of water. The season for 1931 thus far rescribles that of 1922-33 and 1924, according to the irrigation emports. The Mile has been low all Winter, and as far up as Minrtoun they have experienced a "poor Mile". While the dam at Assum is full, or practically full, at the present time, the water required for the planting of the Spring crop is greater than that now coming into the dam. A good deal of exploity is expressed by irrigation

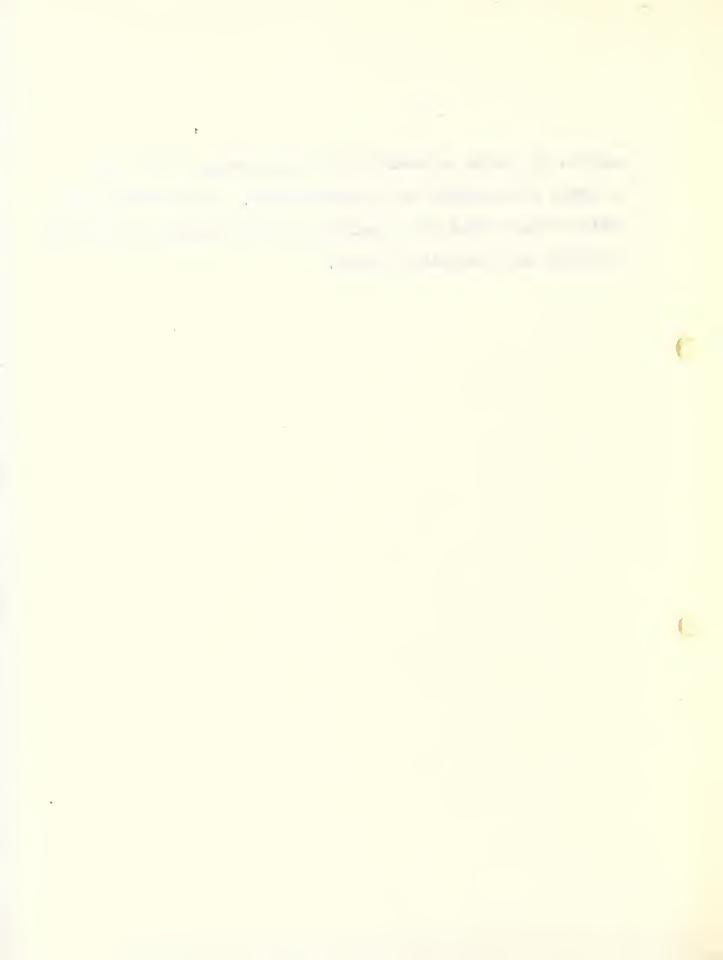
officials regarding the supply when the full Summer denond is felt. At the present time the pleating of cotton is in full away. It has been the custom in years of "good Nile" to water for six days and then close the ditches for six days. This year they are watering for six days and closing the ditches for fiftoon days, which morns that the supply is short and that they are very early in the season trying to conserve water. The prospects for a Sumor shortage of water are real, and it is likely that unless the flood season begins in Abyssinia much earlier than usual, the growing of rice will be prohibited. (Rice is a large communer of water, using much more than cotton, per feddan, and considered less important.) Ordinarily there is no restriction on the growing of rice because there is plenty of water, but with a shortego in view there is much discussion, and it is altogether possible that the Government will take stops to save the water supply for the cotton crop.

It is intoresting to notice that the present condition is used an an argument for the construction of a dam on the White Nile south of Khartoun, at a point called Gobel Aulia.

This work was started some years ago, but due to change in Governments it has never been carried to a completion. It has become more or less a political issue, and the present situation

©

enables the group advocating the construction of the dan, to bring the question to the front again. One of the interesting things about the Egyptians is their ability to turn all questions into political issues.



TO ARIO CONTON

3. A. Iveris

THE TOP COUNTY

ma. 14-1931



SCARTO COTTON

The grades of Egyptian Cotton are based on varieties, each variety having its particular grades. The cotton known commercially as Scarto covers a number of qualities of cotton below the recognized commercial grades. Scarto cotton is divided into 2 classifications - first, Sekkina, and second, Afritas. The quality called Sekkina is sub-divided into two classes - firsts and seconds. All of the cotton known as Scarto comes from the poor quality gathered in the field. In picking cotton, the Egyptians gather everything that appears to be cotton, - even opening the partly matured bolls and removing the short, immature fibres. Cotton that falls on the ground and is mixed with dirt and trash, and cotton damaged by the pink boll worm is separated in the field and is ginned separately. This cotton makes up the various qualities of Scarto.

There are no Linters produced in Egypt, in the sense that we produce linters. This is because of the nature of the cotton grown in Egypt; the lint comes off the seed very easily, and after the seed passes through the gin it is practically naked, so it is unnecessary to run it through a linter machine.

7-

, - J Elis-

The average amount of Scarto cotton produced in Egypt is as follows: for Sakellarides it equals about 3% to 3½% of the crop, and for Uppers it equals about 5% to 6% of the crop. It is impossible to say just how much of each of the qualities of Scarto is produced, because it varies from year to year, depending on the activity of the pink boll worm.

The upper grade of Scarto, called Sekkina, is used for spinning but makes very poor cloth and is really not a commercial commodity. The lower grade, Afritas, is used for making felts, pads, and other uses similar to our Linters. The principal countries using this quality are Spain, Czecho-Slovakia, Germany and Great Britain.

The value of Scarto does not fluctuate as much as the commercial grades. At the present price, the best of it is worth about \$5.00 per kantar. The export figures for Egypt include all kinds of cotton, therefore the Scarto is included in the export figures.

I understand that the amount of Scarto is decreasing each year, due to better methods of handling cotton in the field, and also due to better ginning.

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Cairo, Egypt

March 13, 1931

Mr. Asher Hobson, Foreign Agricultural Tervice Division, U. S. Department of Agriculture, Washington, D. C.

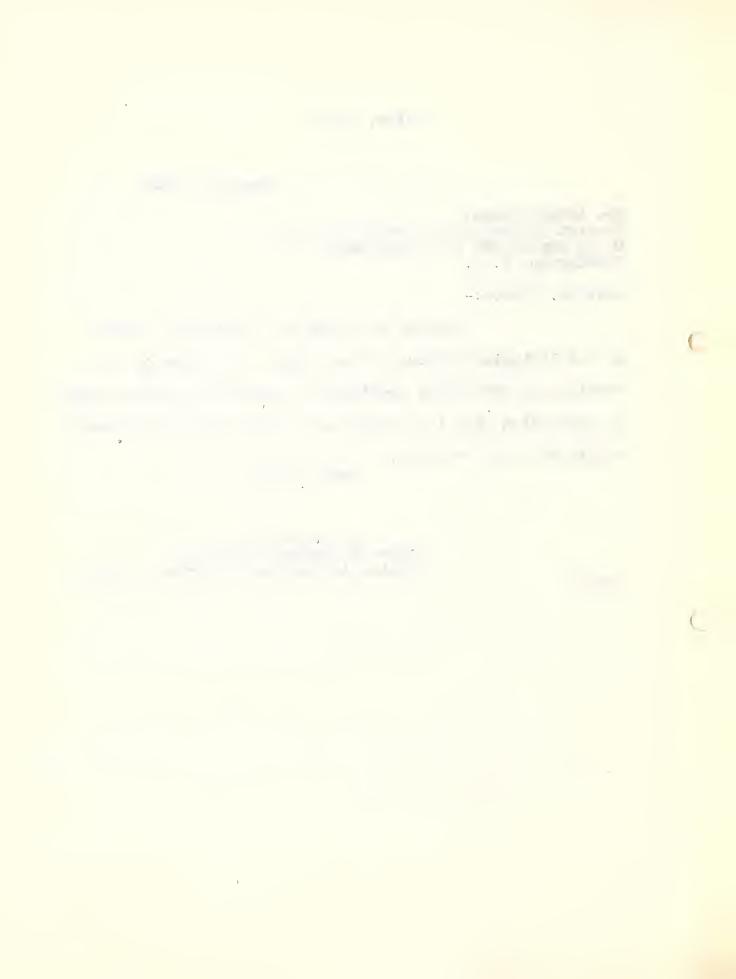
Dear Mr. Hobson:-

Enclosed is a copy of Preliminary Report on the Irrigated Cottons of the Sudan. I am planning to furnish you with short Preliminary Reports on various topics in connection with the Sudan crop, which will be forwarded within the next few days.

Yours truly,

P. K. Norris Senior Marketing Specialist Foreign Agricultural Service Division

PKN/B



PRELIMINARY REPORT ON estimated yield

of

Irrigated Cotton in the Sudan.

P. K. Norris Cairo, Egypt

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While at Port Sudan on February 25th I cabled as follows:

"Gezira cotton very poor, published estimates 20% high. Other Sudan growths may reach estimate. Address Cairo after March 6th "

This cable was based on my observations during a week's tour in the Gezira. The published estimate referred to, is found in the Monthly Report of the Central Economic Board of the Sudan Government for October 1930, the figure being 593,220 Kantars for the Eezira.

The other growths referred to include the irrigated cottons of the pumping station schemes north of Khartoum, the rain-grown cottons of the Southern Provinces, and the flood-area crop around Kassala and Tokar. While all these areas are suffering more or less from two diseases, viz: "leaf curl" and "black arm", the Gezira is by far in the worst condition.

I was very much surprised to find the plants of the Gezira crop very tall and slender in appearance, with little or no fruiting branches. Black arm has destroyed the leaves and branches half-way up the plants. The crop will be what we

in America call a "top crop" and will not exceed 1-3/4
Kantars per acre.

The Plantation Syndicate and the Sudan Government officials are very much worried over crop conditions. Of course the low price is partly responsible for their anxiety, but the fact that the feddan yield has been falling off each year is causing a good deal of worry. The disease known as black arm is of long standing in the Gezira, but the "leaf curl" is new and wide-spread.

Next to the Gezira in importance, probably, is the Tokar area where about 60,000 feddans are under cotton and will probably produce 45,000 Kantars. This area is also infested with leaf curl, and it is impossible to tell the extent of damage at this time.

The third largest cotton-growing area is around Kassala, where about 38,000 feddans are under cotton, and here the yield will not exceed 40,000 to 43,000 Kantars. These three areas make up the bulk of the cotton crop of the Sudan. Grouping the three together, I estimate the total yield will not exceed 45,000 Kantars.

The economic conditions in the Sudan are very bad. A large percentage of the Government's revenue comes

 from the sale of cotton, and with the poor yield and the low price, this income is much smaller than usual. From the standpoint of the Sudan Plantation Syndicate, the drop in price is not as serious as the drop in yield. The Syndicate is prepared to weather the price fluctuations, but it is not prepared to cope with the diseases which are attacking the crop.

, h a to the second of the second in America call a "top crop" and will not exceed 2-3/4 Eanters per acro.

The Plantation Syndicate and the Sudan Government officials are very much worried over crop conditions. Of course the low price is partly responsible for their anxiety, but the fact that the folden yield has been falling off each year is causing a good deal of worry. The disease known as black arm is of long standing in the Gesira, but the "loaf curi" is now and wide-spread.

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The third largest cotton-growing area is around Kassala, where about 58,000 foddens are under cotton, and here the yield will not exceed 50,000 to 55,000 Kantars. These three areas make up the bulk of the cotton crop of the Sudan. Grouping the three together, I estimate the total yield will not exceed 572,000 Kantars.

The economic conditions in the Sudan are very bad.

A large percentage of the Covernment's revenue comes

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CROP CONDITIONS

IN

EGYPT

For the month

of

January, 1931

P. K. Norris Cairo, Egypt

Feb. 18, 1931



CONDITION OF CROPS IN EGYPT

Rain favorable to grain crop.

Preparations for cetton crop.

The following is the Ministry of Agriculture's bulletin on the state and prospects of crops for the month of January 1931, which has been summarized from reports by the Ministry's Inspectors.

Cotton: Ploughing of fallow land consigned to the cotton crop is in progress. Some areas of catch crop bersim are also being ploughed. In Middle Egypt and the Southern part of the Delta, farm-yard manure is administrated to the land prior to the first ploughing in preparation for the sowing of the crop.

Wheat: Weather conditions - Favorable to growth. The rain which fell during the month in Lower Egypt had a favorable effect on growth. Frost, however, affected the leaves of some of the areas, which had not been manured ere the drought, and watering same by means of artesian wells are in progress. The plants have benefitted by the rain - particularly those which had not been watered before the winter closures. The growth of late-sown areas is making slow progress owing to cold weather and delay in sowing. Flowering has started in some early-sown areas in Fayum Province. Pests: Chlorosis has been seen in small areas in Beheira, Menufia, Beni-Suef and Minia Provinces. The attacked plants have been somewhat affected. Attacks by the cut-worm in Beni-Suef and Assiut, and by the smut in Fayoum, have occurred in a slight measure causing no appreciable damage to the crop.

Barley:- Weather conditions - favorable to growth. The rain which fell during the month in Lower Egypt accelerated the growth, especially in areas which had not been watered before the drought. Growth: progressed a good deal. Manuring some late-sown areas with nitrogenous manures was carried on. These areas were watered with artesian wells. Tops of plants in some late-sown areas were affected by frost. Flowering started in early-sown areas in Fayum. Pests: Slight attacks of aphis were seen in a small area in Fayum, and slight attacks of smut were noticed in Assiut. No appreciable damage, however, occurred.

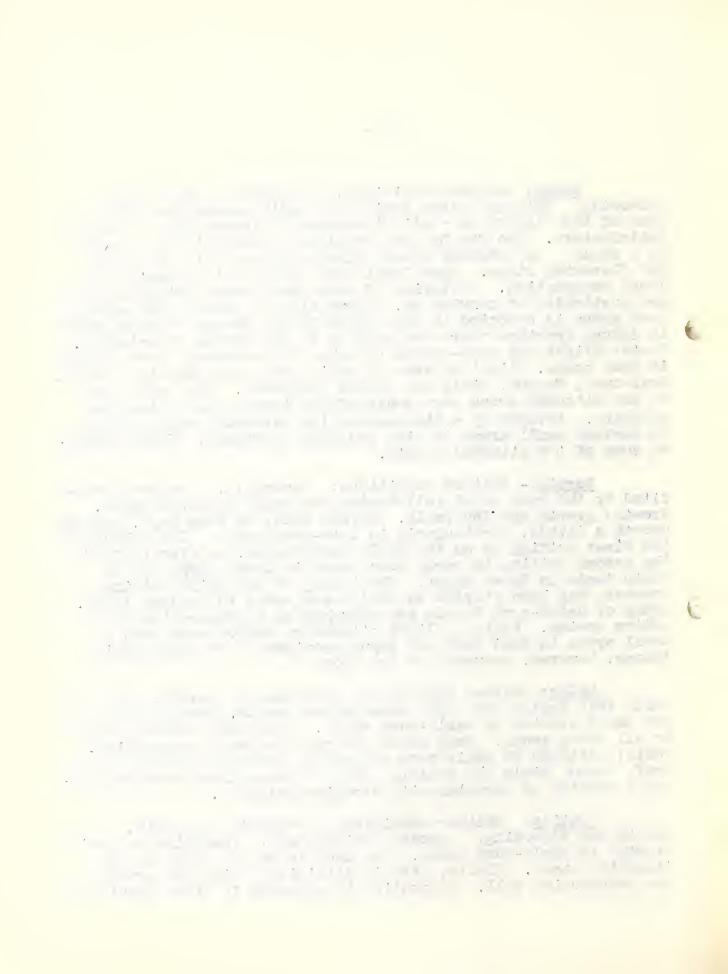
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Beans: Weather conditions: favorable to growth and flowering. Rain and winds during the month caused the fall of some of the flowers in a slight measure in Lower Egypt. Growth: Satisfactory. The fruits have completely formed in all areas, as a whole. In latesown areas, plants are still in the growth and flowering stage. Some fruits are supplied to markets for local consumption. Watering of some areas where artesian wells are available, is carried on. Harvesting of some of the early-sown areas is expected to take place in the course of next month in Assuan Province where the crop is in the course of maturing. Pests: Slight but wide-spread attacks by broom-rape were noticed in some areas. Slight attacks by aphis were also seen in Sharkia, Beni-Suef, Fayoum, Minia and Assiut provinces. The major part of the attacked areas were successfully treated with nicotine sulphate. Attacks by a disease causing withering were noticed in certain small areas in Giza and Kena provinces. These affected some of the attacked plants.

Bersim: Weather conditions: favorable. The crop benefited by the rain which fell during the month in Lower Egypt. Growth: growth was favorable. Severe cold, on some days, delayed growth a little, particularly in late-sown areas. The taking of the first cutting is on the whole progressing, as also that of the second cutting in early-sown areas in Lower Egypt and in basin lands in Upper Egypt. The taking of the third cutting, however, has been started in early-sown areas in project lands. Areas of catch-crop bersim are ploughed as a preparation for cotton sowing. Pests: Slight attacks by dodder were seen in small areas in Beni Suef and Fayum provinces. No appreciable damage, however, occurred to the crop.

Helba: Weather conditions: favorable to growth. Rain which fell during the month accelerated growth. Formation of pods and seeds started in early-sown areas. Flowering became general in all other areas. Some areas are cut for local consumption. Pests: Attacks by aphis were noticed in scattered areas in Beni Suef, Fayum, Minia and Assiut. Some of these areas were successfully treated by spraying with nicotine sulphate.

Lentils: Weather conditions, favorable to growth. Growth and Flowering: growth satisfactory. Formation of fruits started in early-sown areas. The crop is on the whole in the flowering stage. Plants, late in attaining their full growth, are progressing well. Harvesting is expected to start about the



end of next month in early-sown areas in Assuan province where the crop was in the course of maturity. Pests: A slight attack by a disease causing withering was noticed. but it caused no appreciable damage to the crop.

Onions: Weather conditions: favorable to growth of the crop. Growth: Growth of plants is progressing sat-isfactorily. Hoeing and weeding are carried on. Formation of bulbs is progressing in early-sown areas. Some areas were uprooted before the maturity of the crop and were supplied to the markets for local consumption. Marketing of the earlysown crop is expected to take place next month. Pests: A slight attack by mildew was noticed in a certain area in Girga but caused no damage to the crop.

Flax: Weather conditions: favorable to growth. Growth: satisfactory. Manuring some areas with nitrogenous manures, watering from artesian wells and weeding are all in progress. Flowering started in early-sown areas. Pests: none seen

Sugar Cane: - Weather conditions: Weather was warmer than usual and therefore favorable to maturity of crop. Maturity and harvesting: The crop has completely matured and is being cut for supply to sugar factories where it is squeezed. Extraction of molasses by means of native squeezers is in progress. Preparation of land for the oncoming crop is going on. Yield per feddan is above the average by 2%. Pests: Slight attacks by stem-borer have been noticed in Kaliubia. Sharkia, Beni Suef, Minia, Assiut and Girga provinces. Sugar cane mealy-bug appeared in a slight measure in Fayum, Minia and Girga provinces, and caused no appreciable damage to the crop.

State of Irrigation The following report on the state of irrigation from Dec. 21 to Jan. 20 has been received from the Ministry of Public Works.

Lower Egypt: Irrigation: At the commencement of this period, sufficient water was given to meet the cultivation reguirements before the winter closure for which all canals were completely closed on Dec. 30, 1930. Drainage: Drainage condition was satisfactory.

Upper Egypt:- Irrigation: Owing to winter closure, all canals were completely closed during this period. Drainage:

Drainage condition was good.

And the Court of t The second section is a second section of the second section of the second section is a second section of the second section of the second section sec a supply participation

Teb. 16, 1931

Mr. Asher Hobson,
Foreign Agricultural Service Division,
U. S. Department of Agriculture,
Washington, D. C.

Dear Sir:-

Enclosed is a copy of an article published in the "Egyptian Gazette" in Cairo, February 6th, covering the results of the Joint Egyptian Cotton Cor ittee's Meeting, which may prove of interest.

Yours truly,

P. K. Horris

Senior Marketing Specialist Foreign Agricultural Service Division

E T 19

P.S. Mr. Norris is still away in the Sudan country, but I am sure he would have forwarded this article to you for your information.



redigion, or

JOINT GAPTIAN COTTO! CONTINUE

at Calro ting
Jan. 26-29, 1951

Cairo, Egypt
Feb. 16, 1951



Copy of Article from "Imptian dezette"
Cairo, Feb. 6, 1931

COTAL PROPERTY OF THE STATE OF THE STATE OF

Official Text of Decisions.

The following statement is officially issued regarding the resolutions passed by the Joint Egyptian Cotton Committee, which sat last eck.

Mixing of Varieties

The Cormittee reiterated as its considered opinion that the cotton injustry objects strongly to any mixing of varieties of Egyptian cotton before it reaches the spinning mills.

The spinners appreciate the efforts of the Egyptian Covernment in indeevering to put an end to fixing by legislation which they have to see out into force or soon as possible for

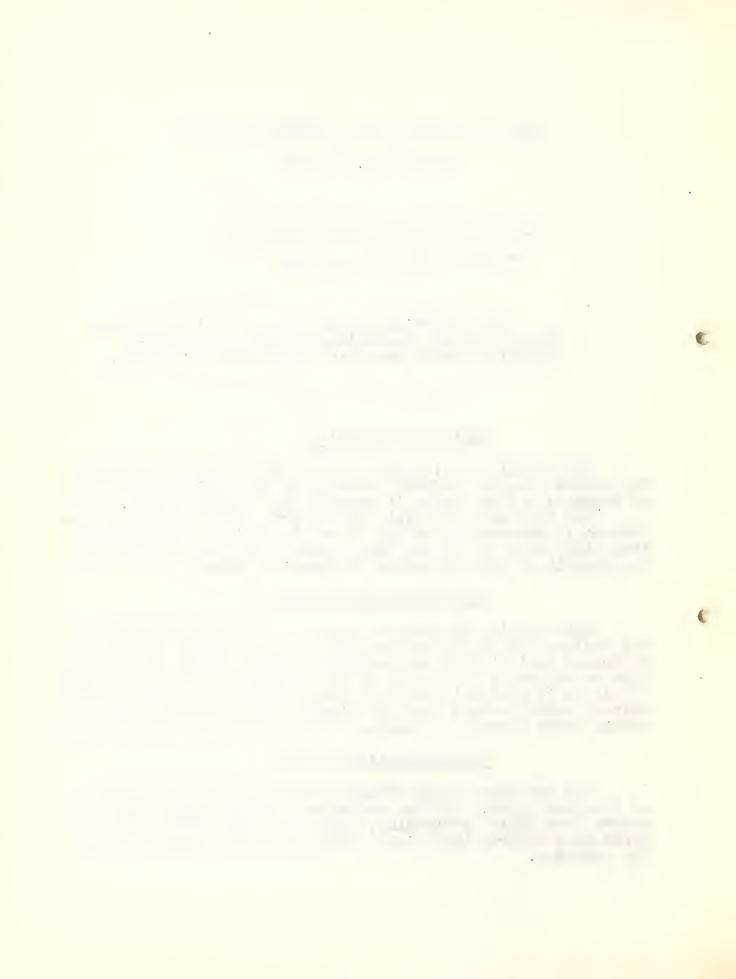
which they hope to see put into force as soon as possible for the benefit of all interested in Egyptian Cotton.

Government Cotton Policy

This necting thanks the Egypti or arount for its fornal declaration of its cotton policy, particularly for the assurance that it will not intervene in the cotton markets, and that as regards the disposal of the existing dovernment stocks of cotton it does not intend to sell amually more than 500,000 kanters actual cotton from the stocks, in small quantities, within short periods comencing at the end of the present season.

Standardization of Types

The spinners cannot accept the compulsory introduction of standard types, but they consider that advantages would accrue from their proparation. If the standard types thus prepared were offered they might ultimately prove acceptable to the industry.



Page 2

extending Use of Layotian Cotton

This recting pledges itself to use every le itimate cans for the extension of the use of yptis a Cotton.

Poreign Catter in Bryotian Cotton

This recting unanimously reco and that greater care be exercised in the Pressin, Establishments at Alexandria in this otter, and that at each "farfare" one wan should be specially entrusted to supervise the elimination of forcin matter.

oisture in gentier Cotton

It is hereby agreed that the degree of unidit, rhich cotton should contain is 8.5, regain, with tolerance of .4, up and down, - 1.0. that all humidity above 8.9, rust be paid for by the exporter to the pinner, wilst if the cotton contains less than 3.1, cirture, the diff rouge will be remided y the spinner to the experter. There is no allo ance to be made by either party if the column in cotion i between 8.1," and 3.95

There will be est blished in edictely in Alexadria a Testing louse which will be repervised by the everyont and the exporters in spinners as appoint end a delegate.

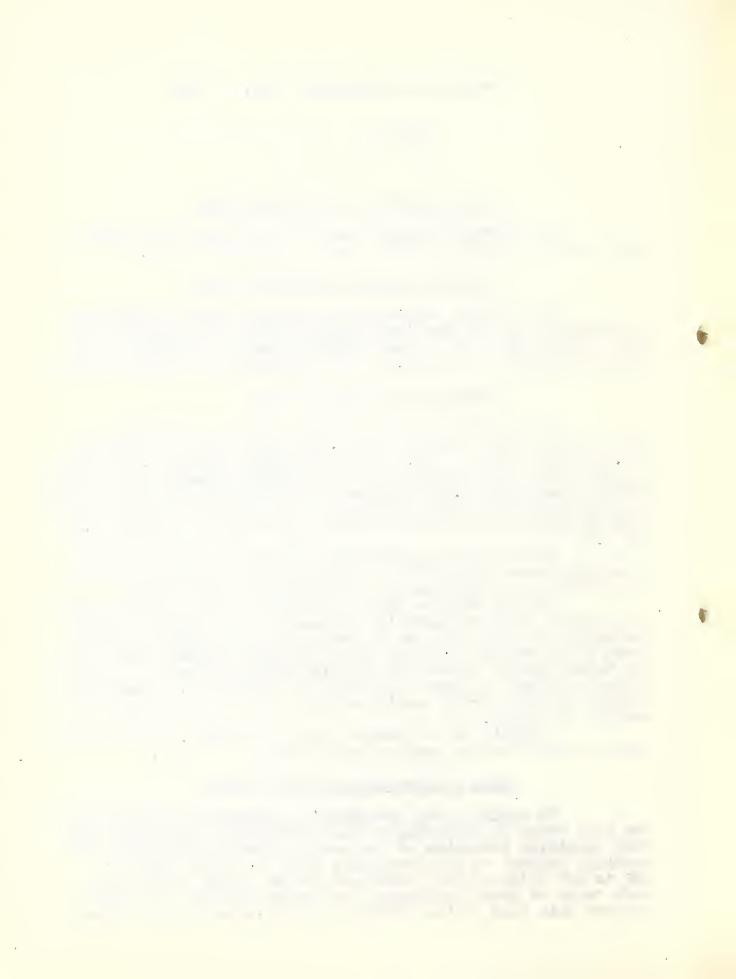
Parties will be free to arrange thather sa ples drawn for testing shall be taken in Alexandria or the port of dise barkation, or the mill, but in every case the samples will be drawn by an expert belonging to an official testing house, and the tests will be made in an official testing house on a certificate issued to buyer and soller of the result. For sontatives of both parties shall have the lit to be or ant wen samples are taken.

ei hts to be taken at ti of Irwin. This a ree-

ment to valid for one year as fro to 1, 1931.

Tale of Covernment Cotton Stocks

In reply to the President's request for opinion as to the best means of disposing of the Covernment stocks, we, the duly appointed delegates of the cotton in ustry attending this reeting, suggest to the Lovernment that the daily sales of 200 to 300 bales of the Covernment Cotton Stocks would be a safe means of least i turbin; the cotton a kets. Dy carryin; out this plan to the letter, the Covernment would be sure



Article from newspaper, Feb. 6, 1931

Page 3

to receive the true average price of the sea ons for all its stocks, it would render speculation with this cotton impossible and thus it would restore the confidence of the cotton in ustry in Egyptian Cotton.



Developments at
Cairo Meeting

of

Egyptian Committee, Master Cotton-spinners' Federation and

Egyptian Government Officials.

P. K. Norris

Cairo, Egypt.

7 ch. 10/31

at his reacest - satur r to . . !

The Egyptian Committee of the International Federation of Master Cotton-spinners began their meetings with the Egyptian Government officials Tuesday morning. They held a session Tuesday and Wednesday, and are holding one today. This will be the last session. On Tuesday, the subject of the Egyptian Cotton policy was discussed. On Wednesday the subject of humidity was taken up, and today I understand they will discuss the question of the proposed Government Standards for Egyptian Cotton. There has been quite a good deal of discussion of this question during the last few months.

Yesterday morning I met Mr. Arno S. Pearse, who told me that the Committee at the Monday meeting had recommended to the Egyptian Government that they sell a certain quantity of their stocks held at Alexandria daily, beginning at the close of the present season. He was of the opinion that the Egyptian Government would follow this policy and dispose of its cotton in small quantities each day, over a period of about a year. Mr. Pearse added that while this was not for publication, it would no doubt be announced shortly.

There continue to be rumors as to what disposition

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the Government will make of this Cotton. The latest one seems to be that the Egyptian Government is negotiating with the Russian Government for the exchange of cotton for lumber, railroad ties and petroleum. There is no foundation for this report, so far as I am able to find out, but it is certainly causing some excitement in some quarters of the market. Cotton merchants are all agreed that the uncertainty as to what the Government will do, is a very important factor in the present market. It is very unlikely that the Egyptian market will show much improvement for some time to come.

Dovolopments at

Cairo Meeting

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Egyptian Committee, Federation of Later Cotton-opinuers and

Ecyptian Government Officials

P. K. Norris Cairo, Eypt

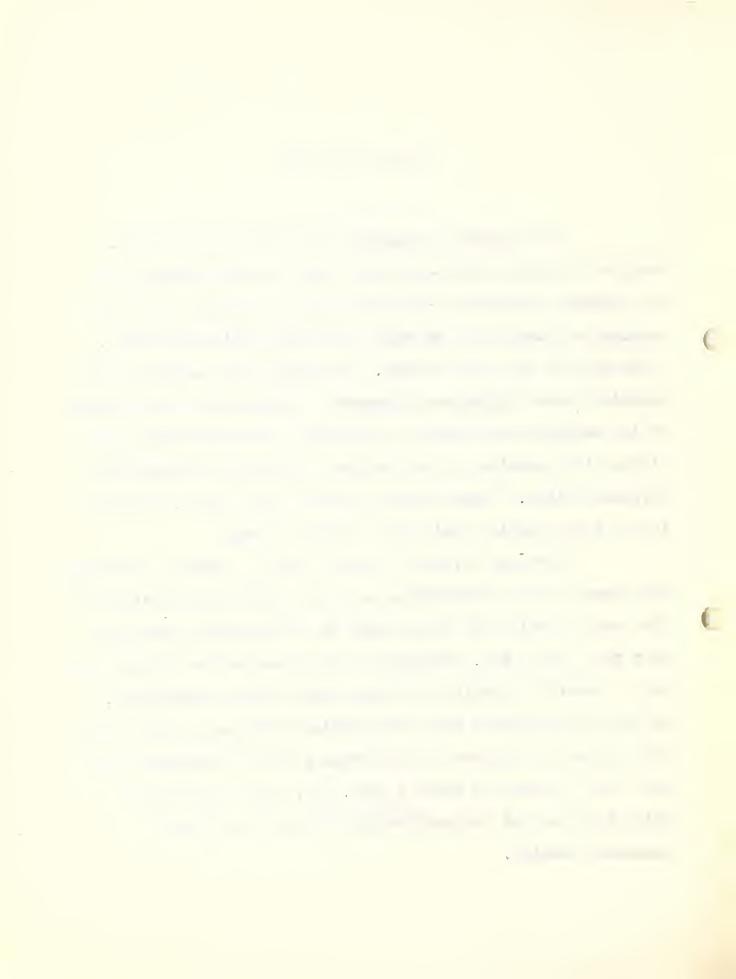


January 29, 1931

eration of laster Cotton-spinners began their sectings ith the Eyrtian Lovern ent officials Two day orning. They held session on Twesday and odnerday, and are holding one today. This will be the last session. On Twesday the subject of the Egyptian Cotton Folicy was discussed. On ednerday the subject of the hu ifity was taken up, and today I uncertain they fill discuss the question of the proposed Covern ent at adards for Eyptian cotton. There has been quite a good deal of discussion of this question during the last few onths.

the course of our conversation he told no that the Committee at the onday meeting had recommended to the Egyptian towers ent that they sell daily, beginning at the close of the present serson, a certain quantity of their stocks held at Alexandria.

We was of the opinion that the Egyptian Covernment would follow this policy and dispuse of its cotton in mall au attition each fay, over a period of about a year. The respective that while this was not for publication, it would no doubt be amounced shortly.



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Yesterday morning I met Mr. Arno S. Pearse, and during the course of our conversation he told me that the Committee at the Monday meeting had recommended to the Egyptian Government that they sell daily, beginning at the close of the present season, a certain quantity of their stocks held at Alexandria. He was of the opinion that the Egyptian Government would follow this policy and dispose of its cotton in small quantities each day, over a period of about a year. Mr. Pearse added that while this was not for publication, it would no doubt be announced shortly.

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January 1931

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Cociété isr pour l'exportation du Coton

Cairo, Lypt.

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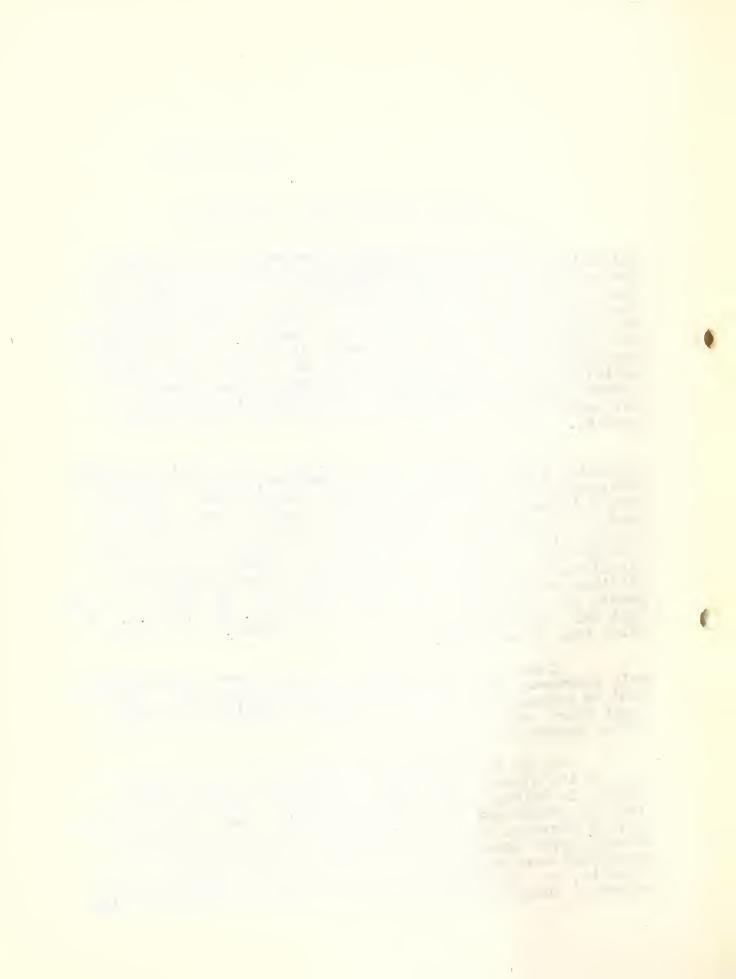
Cotton Policy of the oversent.

In our last Report we indicated that the Bourse authorities had, on the initiative of the government, taken two measures to check the speculation and the terminey toward a decline. Of these to enure, the one remains the eller to put up a deposit of several tallaringer interphase been lept in force. The other can ure, which suspended the jobbers for 15 days, has been withernown and the jobbers have been operating ince January 5th. Their remunition of activities has not e pecially channed the condition of the market, hich continues very calm, with little business, but nevertheless a onewhat one confident tone seem to prevail.

There has been such criticism in comercial circles regarding this suspension of the jobbers, who are ractically indiscensable to or inary business transaction, - even in nor all times we sust at it they are useful. It is possible that the importance of jobber has been over-estimated recently. It is until inkable that the deting of the principal arricultural product of a ppt, which evides accupation and livelihood for illiens of producers in our country, and sillions of consular abroad, should be composed hundred people who do nothing else, from 10:00 a. . to 1:00 p. . except sell cods which they have not produced, or buy cods which they cannot sell.

Since our last aport, the Covernment has considerably increased the import duty on certain a unr. This ill tend to reduce the acrease of cotton, a pacially in Upper Egypt there are will probably by planted on a large scale, instead of cotton.

As for the overneed's policy with regard to the male of its stocks, this will be discussed at the coing cetia in Cairo, January 26, 2 and 23 Ther is a runor that the dovernment will be in by selling, next are on, about 500,000 kantars, and will distribute the sale of this total quantity over several genra. As for the calcade, if the overnment were adopting the gate of welling drily a sall quantity, say 350 bales per day, it could at rid of (in the period of about a year) about 300,000 kantars without having



the market feel any serious consequences of use sale.

However, once this policy were morted, it sould have to be alhered to, and they sould have to all rould lovery day a fixed cuantity, no atterwhat the side. In this way the over out would obtain a variable for the season. The market would become accurate ed to such asles, and they would have no perficular influence as sizes.

The total body well it we is not to to the total and e port uty ith mid-ur of ton in the decided, and the abolition of these chur es as an ever total all concerned, including the overnest, ad it that the charges are hely, but it is a possible for the overnest to lift this harge at present. A ide from fine the son, it ould be impracticable to excell these charges in the idle of the season. Malf the crop has alread been cold, with those charges assessed, hence the unself portion could not be executed. In all justice, one lust we it that the overnest is aking use of the taxes collected, in the interests of the cultivators the selves, thus diving the out of one hand, what they collected with the offer.

poot rket

Notathstanding the stock of over ,000,00 kantars officially claimed to be on Land, officially front cotton on the inet-elegand arket as of the ulade 1 abundant. As not ter of fact, the official filter of 5,000,000 kentar which are not for sale, thus leaving only 2,000,000 kentar which is no ray 1,000,000 kentar lead that a vailable at a similar tile last year.

offerings of sakellarides have oderated, as a result of indication that ood prices ill be procurable later on - it being atticipated that releas will be high enough to cover the cost of story, in unce, interest on the capital investor.

There i active i and or count in Za ora, and available outlies rule ned up day by day pecial-ties like outdi, hard, etc., ar ook buy, and are in ood de and recently.



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Cairo, Cypt

January 21, 1931

Ir. A her Hobson,

Joreign A ricultural Service Divi ion,

United Itat Depart of A riculture,

shin ton, D. C.

Dear Mr. Hobson:-

I have just cabled you follow:

"Egyptian Covernment andounce that it will is olve Board of Directors 5 ton Exchange hould speculator secur control of Exchange at annual section January 26th. Stop. Should Loard of Directors be dissolved, Exchange ill be operated by an Typtian Covernment appointed Committee, as in 1914

I am enclosing here ith a written r port on the incident. It is very likely that come or late the tayption covernment will be oblised to take own the Alexandria
Cotton Exchange. The embers of that weben ence to
be practicing so a very bad tactics, and I am frank to
any that it is the root neet bunch I have very color
into contact with.

Your truly,

P. R. Norris

Senior Trketin pecialist
Foreign A ricultural ervice Divi ion



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fored with the operation of the lamindria attenton connac, known as the loyal our o. The product attention may be confident or a senior of matter than that of fore by little, and the jobsers were uponful for a le-day purio.

threat regarding the lection of 3 members of the lower of the latter interests obtained control of the lower of the lection to be held January 16th, the lower of the lection to be held January 16th, the lower of the lection to be held January 16th, the lower of the lection to be held January 16th, the lower of the lection to be held January 16th, the lower of the lection to be held January 16th, the lower of the lection to be held January 16th, the lower of the lection to be held January 16th, the lower of the lection to be held January 16th, the lower of the lection of th

There is a good deal of bad feeling on the part of some of the members towards the Gov round, and there is a possibility that man of this group may be elected.

In order to understand this matter fully, it

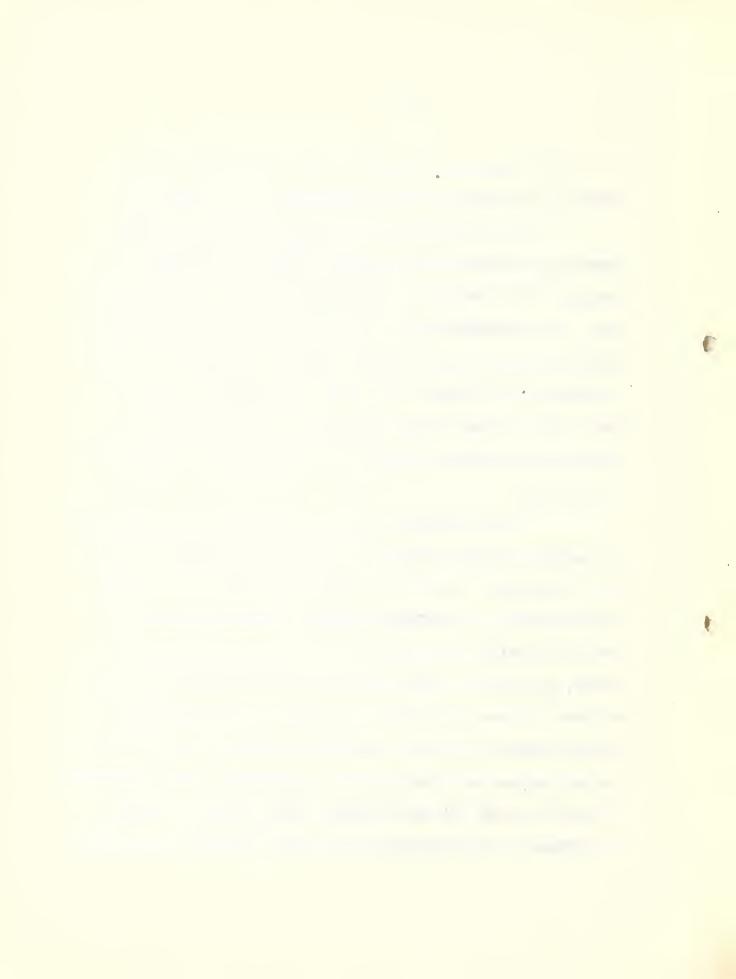


melan o. The rount or remisation i an out roth of two groups of brokers who be in operating in Alexandria about 1861. There to organizations were con olifeted in 1839, and formed the prepent or anization. They operated under their own rule and regulation until love and 100, when the Government passed a law regulation future tronactions on the Exchange. Other over ont decrees how b on in well read time to the, until it is b and that the present relanged under the complete control of the covernment. The over cut has authority to suppose my broker or speculator, or group of brokers and speculator at any time they see fit. The amb rahip i comose of two classes of deler: the bro ers, who will -ber and who is the only one so itte to " in , and the adherent bure, or but hi ht b clies desires Labors, who are allowed to open and the unit of health. Broker comber of for liven by the region to don't in antthin except future, and ar ther for red its from dealin in spot cotton. It is noce wary for an accociate ber the is really a pot ection receiped, to deal through a broker. The bership seems to be open to anyon



bord of Directors and the merb r hip of the helder.

a situation comewhat similar to that which exists in 171
may be expected. In 1914 a group of broker and posulators attempted to stableize prices. The comment of that this action was a sinst the interest of Type in control, income as other as he to of the order of a constituent brought about by the Mar, and that no interference on the part of brokers at Terrangia was justified. They shed the Trehenge to drop its tableizing p liey, but the request as refused. The covernment the reformation of the order.



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Cairo, Egypt

January 19, 1931

Mr. Asher Hobson, Division of Foreign Agricultural Service, Bureau of Agricultural Economics, Washington, D. C.

Dear Mr. Hobson: -

The enclosed is an editorial on Egypt's new industries. The progress and effort along this line seem to be summed up very well, and for that reason I enclose a copy of the entire editorial.

Yours truly,

P. K. Norris

Senior Marketing Specialist
Foreign Agricultural Service Division

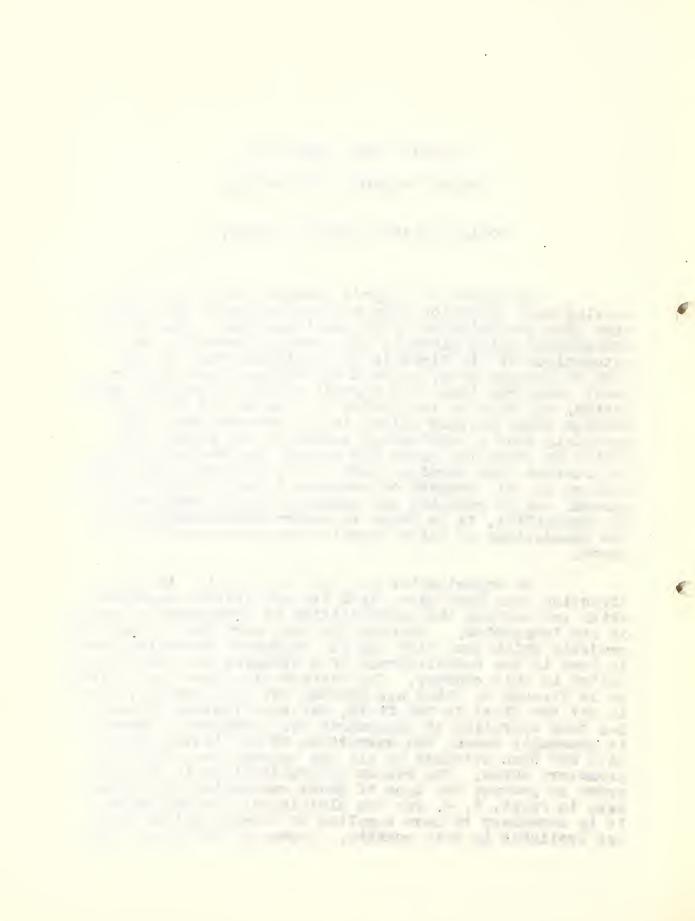
PN/LB

EGYPT'S NEW INLUSTRIES Cotton pinning and Teaving

Societe Misr's Mehalla Factory.

No aspect of Egypt's economic affairs is receiving more attention from her public men at the present time than the building up of new industries. The encouragement being given by the present Government to new enterprises of all kinds is not motivated only by the wish to provide work, other than employment on the already congested land, for Egypt's rapidly increasing population, but also by the desire to redress the country's foreign trade balance which, in the current year, will certainly show a substantial amount on the wrong side. lither by producing goods for export, and so increasing the revenue from foreign trade, or by fostering the manufacture in this country of products hitherto imported from abroad, and so reducing the amount of money spent abroad on necessities, it is hoped to render increasingly solid the foundations on which Egypt's economic stability is based.

No organization has been more active in this direction than Bank Misr, with its subsidiary companies, which are testing the possibilities of developing a number of new industries. Perhaps the most ambitious of all the projects which Bank Bisr and its dependent companies have in hand is the establishment of a spinning and weaving industry in this country. The Societe Misr pour la Filature et le Tissage du Coton was created for that purpose. It is not the first in the field, for the Filature Nationale has been operating at Alexandria for a number of years. As is generally known, the operations of the latter company have not been attended by all the success for which its promoters hoped. The reason generally given is that, in order to produce the type of goods commanding the largest sale in gypt, i. e. for the clothing of the fellaheen, it is necessary to have supplies of cheaper cotton than are available in this country. Japan and India and other



countries which supply the Egyptian market use large quantities of low-grade Indian cotton, which can be bought at prices very favorable in comparison with Tgyptian qualities. In the opinion of some of those associated with the Filature Nationale, it is essential that the Egyptian Government should permit the importation of such Indian cotton here, if there is to be any hope of securing any large share in the local market for cotton goods. The Government, however, refuses to sanction any such importation, on the ground, it is understood, that there is risk of cotton plant disease being brought to Egypt from India. And the Government has hitherto refused to depart from its position, although there is expert opinion in support of the view that precautions can be taken to avoid absolutely - as is done in some other countries - any risk of plant disease being brought in.

The Mehalla Factories With the example of the Filature Nationale before it, the Societe Misr needed courage to embark, as they have done, on plans for spinning and weaving on a large scale. They have erected at Mehalla, alongside their ginning factory, a huge plant for spinning and weaving, equipped with the most modern machinery, a very large part of which has been purchased from England, and in every way organized on the most modern lines. The site covers 34 feddans, and the factories extend over twelve feddans. The plant has been so constructed that it can be expanded, as time goes on, to handle four or five times the quantity of cotton with which it is indended to deal in the first instance. The output now planned for, will take about 12,000 kantars of cotton yearly, but the factory space available will allow of over 50,000 kantars eventually being handled.

On Friday, the Prime Minister, members of the Cabinet and many other guests inspected the factories. Yesterday representatives of the press were invited, and were received at Mehalla Kebir and shown over the factories by Mahmoud Shukry Pasha, Managing-Director, Talaat Bey Harb, a director, and other officials of the Societe Misr. For everyone present is was a most interesting experience, and the visitors were greatly impressed by the ambitious scale on which the enterprise has been planned,



the spacious and hygienic lay-out of the factories and the very modern machinery with which the huge buildings have been equipped. It was encouraging, too, to learn that I gyptian workers show great aptitude for learning the various operations involved in the production of cotton goods and that, under the instruction of experts from Turope, a skilled body of operators is being built up.

The difficulties facing this new enterprise are foreseen by its sponsors, who realise that obtaining supplies of raw material at prices enabling them to compete with manufacturers abroad is not their only problem, but that the effect of climatic conditions, the efficiency of local labor, the taste in materials of the fellaheen and many other questions will only be answered in the course of time. But nobody who has inspected the factories can fail to admire the courage and enterprise shown in embarking on a plan which, if it succeeds, will have important results for the future prosperity of Taypt. That the initiative shown by the Societe Misr may resp its due reward of success will be the hope of all who wish well to Taypt.

Fditorial from "Egyptian Gazette", Jan. 17, 1931



Cairo, Egypt

January 19, 1931

Hon. W. M. Jardine, American Minister, American Legation, Cairo, Egypt.

Dear Mr. Jardine: -

mailed to Washington regarding my conversation with Mr. Arnold S. Pearse, and subsequent interviews with cotton merchants of Alexandria. I trust that it will give you some insight as to the meeting on January 26th, and enable you to follow the events regarding this meeting.

With kind regards, I am,
Yours truly,

P. K. Norris

Senior Marketing Specialist Foreign Agricultural Service Division

PN/LB

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Yesterday I set hr. At noted 5. There in Thexandria. I had a letter of inteduction to The Teach from his son Mr. Norman 1. Pearse who is ut protent function his son Mr. Norman 1. Pearse who is ut protent function of the International Tuderation, Mach r Solven pinners and Manufecturers is pointion of Marchester, Thushing et al. The elder Mr. Pearse was until shout from the ago recritery of this organization, having been connected with the organization for something over 20 years.

Cution Expert Company, Pisce, of the kember. This company is a specialisty of the Tayptian Mational Bank, and it was closely associated with the Egyptian government. In this tion to this, it is also composite took with this and the composite took with the point of Alexandria, the latter being old established as Non to-porters.

I had a very pleasant visit with Tr. Fearts, who talked very freely regarding his conscition with the expect business, but made no consents regarding the part that he or his Company would play in case the Government absided to ispose of the cotton it now holds in storage in lemanaria. There is a rumor current to the effect that Mr. Planse is going to let as the representative of the spinners in case the Covernment disposes of this eotton.

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To the close of the meeting of "I I inlocal Federation held in Jairo in 1811, the spin ord
appointed a Committee to expense will a fine from
Covernment and private outlone on regarding questions
arising from the expert of Tyyptian conton. This committee that its activities have intarged until
the remained intact that its activities have intarged until
actor present time it forms a point of contact between
The spinners, the private cotton reschants, and the formmuent, and it has jurisdiction over all expects of the
Tyyptian cotton industry as it might affect. Turopean
spinners.

This Committee will meet the Toptian Top The count officials and the leading sotton not chants, in Tair, Japuary 26-27-20 and 29. In the no definite of a tomest has been made as to the satters under consideration, it is almost certain that a sales policy for the Topptian Toppement will be fiscusted. That the process is presented to a matter of speculation, but the process in receipt the probably the sale of a fixed quantity on a fixed ust, to be announced in advance. This session will, if source, be behind closed doors and it will be impossible for anyone in

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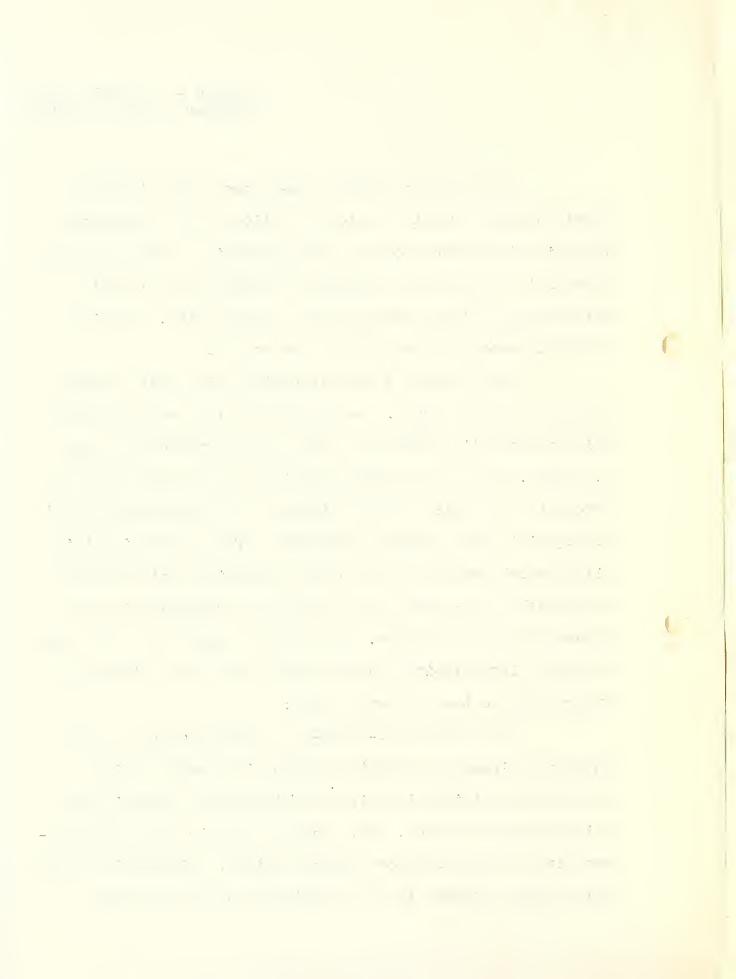
Share was example to the same of

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For the past several weeks the cotton trade of Egypt has been guessing as to the action of the Government regarding the cotton now held at Alexandria. The Government, through the press, has repeatedly announced that it will not dispose of this cotton at the present price. In spite of this, rumors to the contrary are common.

Last Monday I came in contact with what appeared to be more than a rumor, to effect that the Government was going to sell its cotton and that it had employed Mr. Arno S. Pearse, who is the former Secretary of the International Federation of Master Cotton Spinners and Manufacturers' Ass'n. to negotiate with European spinners. After discussing this with several people I came to the conclusion that there was some truth in the rumor, and I cabled my suspicion to the Department of Agriculture. On Tuesday I heard the same rumor, and after interviewing several cotton men I have sifted the rumors down to the following facts:

On January 26-27-28-29 representatives of the European Spinners of Egyptian cotton will meet Egyptian Government officials in Cairo and discuss the marketing of this Government cotton. Mr. Pearse is now in Egypt, associated with the Cotton Export Company, Missr, Alexandria, Egypt. This Company appears to be a subsidiary of the Egyptian



National Bank, and is very closely associated with the Government. The Cotton Export Company, Missr, has consolidated with Lindemann & Co. of Alexandria, who are old established exporters. Mr. Pearse talked rather freely regarding his connection with this company, but made no statements regarding his connections with the Government. However, he advised me to watch the meeting of the Spinners on the 26th, stating that events are likely to happen that will be of interest to Long Staple Growers of America. He intimated that in view of the present relations between the Egyptian and American cotton, that European spinners are going to use Egyptian cotton as far as possible.

He made several comments regarding the American tariff of 7\$\psi\$ per pound, and stated that since American spinners were very jealous of European spinners, they would have to spin American cotton or pay the 7\$\psi\$. He thinks this will give the European spinners an advantage over the American spinners, in that he will use the Egyptian cotton which he considers better than the American.

It seems to be the general opinion that following the meeting of Jan. 26th the Government will announce a definite sale policy. There are several opinions as to just what this policy will be, but many think it will be some form of auction. The Government will probably announce that on a given day they will offer for sale a certain quantity of

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cotton. This will enable exporters to get in touch with their clients as to the amount of cotton they desire, and also the prices. The Government is very much interested in the cotton situation, because a great deal of its reserve funds is tied up in this cotton. It was purchased at a much higher price than it is worth today. While the present Government did not purchase this cotton and is not responsible in a way for the policy in which it was purchased, it is nevertheless anxious to recover as much as possible from its sale. It is generally understood here that the present Government is making every effort to restore stable conditions. There is no doubt that they are now working on some kind of policy that will gradually feed this stock of cotton to the market.

There are several political aspects to the question, many of which I am but slightly acquainted with, and I am therefore unable to discuss them, but from my limited knowledge of the Egyptian Government policy I am inclined to put very little confidence in statements regarding the disposal of this cotton. I am thoroughly convinced that it will be political suicide for the present Government to dump this cotton on the market in large enough quantities to depress the price. I think that the Government is a little short of ready cash, and that the officials would not hesitate to make a deal that would dispose of the cotton over a long period of time,

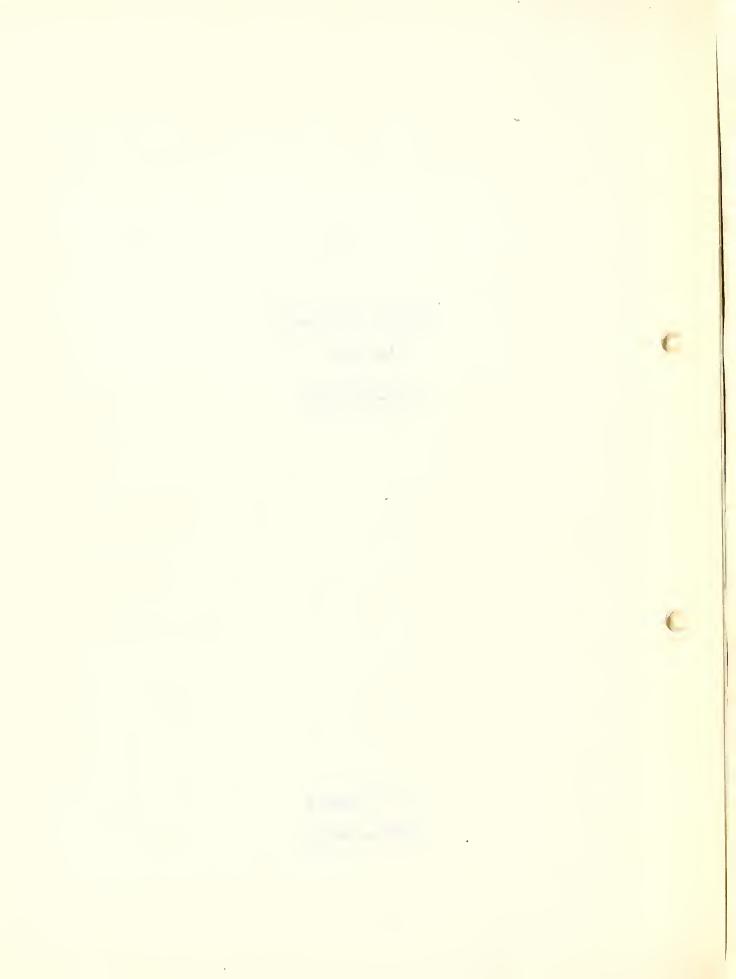
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and thus have little effect on the market. From what I can see, it appears that the personal side is very important. It is a known fact that some officials put personal consideration first. This is very true here. Therefore if the sale of this cotton works to the interests of a few Government Officials, the sales might be very heavy, once they are started.

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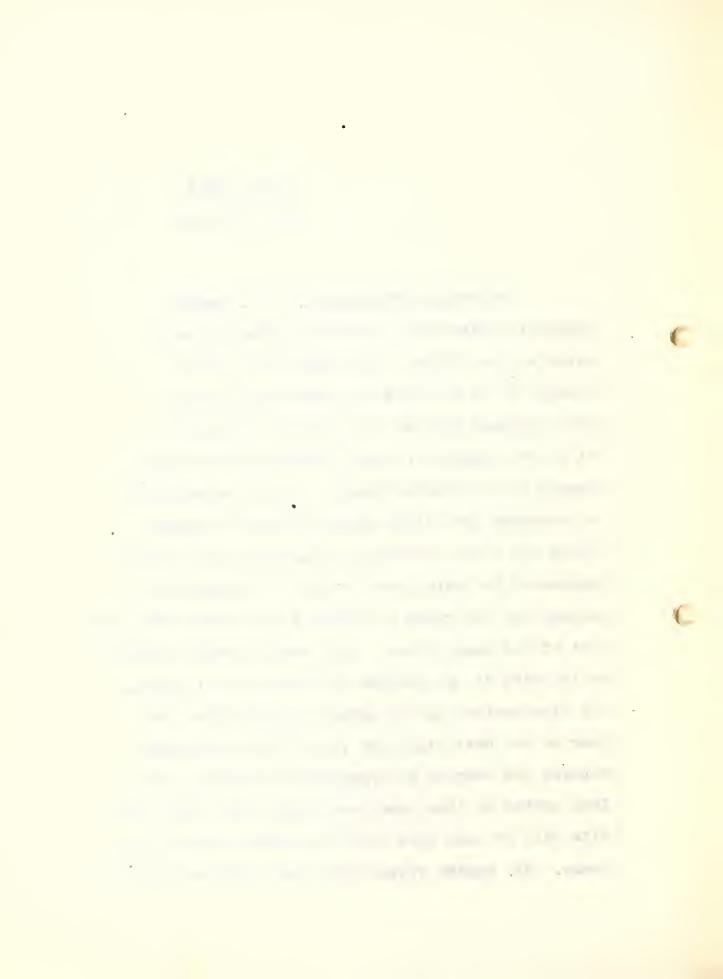
BELGIAN CONGO

P. K. Norris Cairo, Egypt.



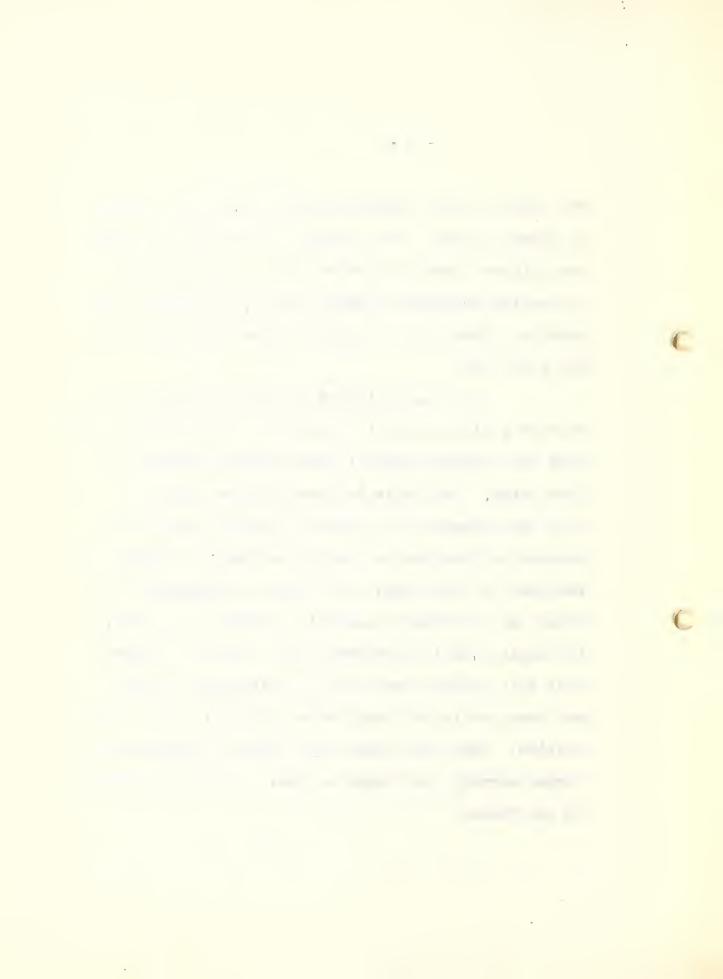
Cairo, Egypt Jan. 15, 1931

Yesterday afternoon Mr. W. J. Lugard. Technical Advisor for the Congo Cotton Company, called at the office. Mr. Lugard is a plant breeder who at one time was connected with the plant breeding work of the Egyptian Government, but is now engaged in plant breeding for the above Company in the Belgian Congo. In our conversation we discussed the cotton growing areas in Central Africa and I was surprised to find that the Belgian Government is making every effort to increase the acreage and the yield of cotton in the area north and east of the Congo River. This work is being carried on in spite of the decline in prices, and in fact, the fluctuations in the price of cotton from one year to the next will make very little difference because the Company is organized to operate over a long period of time, and they figure that their profits will be such that they can expand even in poor years. Mr. Lugard stated that there will be produced



this year in this territory about 20,000,000 pounds of ginned cotton. This cotton will reach the European spinners about September 1931. Last year the production amounted to about 14,000,000 pounds, and next year they hope to increase even more than they did last year.

The plan followed by the Company seems to be that a fixed price is announced to the natives, and that the Company takes all the cotton produced, at this price. The price is generally low enough so that the Company will be able to break even at depressed periods such as we are now going through. In addition to this area, the Company is managing districts in the French Fquatorial section of frica, in Angola, and in Portugese East Africa. It seems that this Company has plenty of financial backing, and they are in the near future going into real production. They have made some definite plans for enlarged acreage, and hope to equal the British efforts in the Sudan.

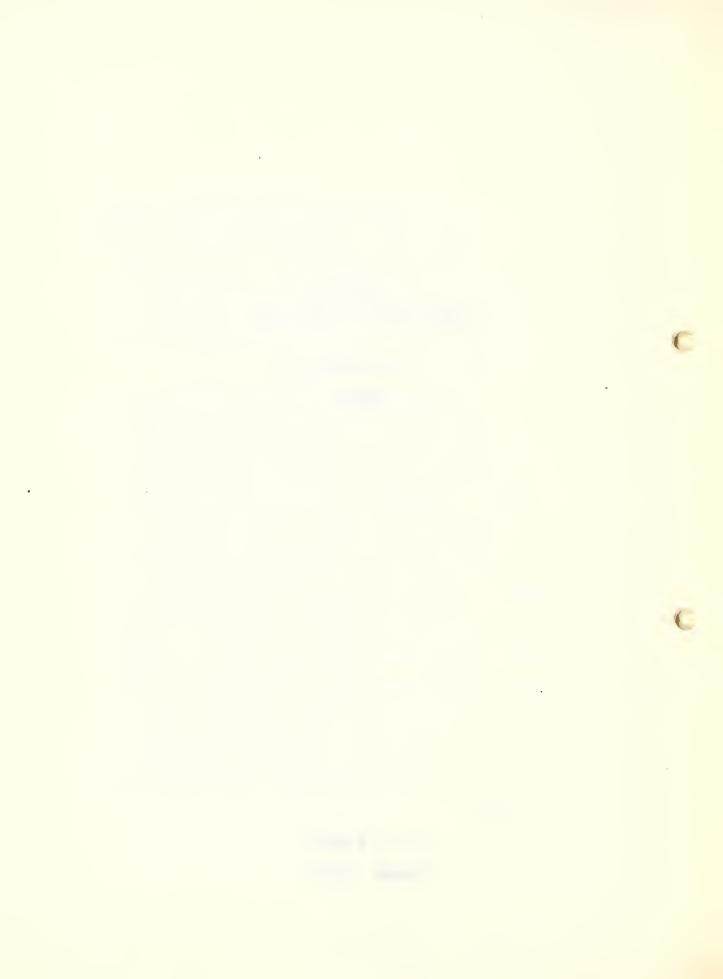


PROPOSED NORLD COTION CONFFRENCE

To be held in Egypt

P. K. Norris Cairo, Egypt

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For several months past the question of holding a world-wide Cotton Conference in Cairo has been
discussed. Such a Conference would include all cotton growing countries, and have for its object the
regulation of acreage.

The matter was discussed in a recent meeting of the General Agricultural Syndicate, and approved.

The Syndicate has asked the Prime Minister to call a World Cotton Conference, to meet in Cairo in the Spring.

The General Agricultural Syndicate is an organization of rich and powerful land-owners. It was this organization that suggested to the Government that it buy cotton in the years past. They appear to have had great influence with past governments, but to what extent they influence the present government is not known. However, since the Syndicate is made up of rich landlords, it is plain that the government will give the plan some consideration.

The following is a discussion of the suggestion by the native paper "Al Missa":-

"FGYPTIAN COTTON PROBLEMS"

"Al Missa's" Solution

Local consumption of entire crop. Foster Home Industries.

In an editorial article entitled "The Cotton Conference - Let us try to find another means", "Al Missa" says:

Among the proposals submitted by the General Agricultural Syndicate to H. E. the Prime Minister is one for the holding of a Cotton Conference in Cairo, representing the important cotton producing countries, to regulate cotton production so as not to exceed the world's actual requirements of cotton, thereby putting an end to the great fall in cotton prices, "Al Shaeb states that the Prime Minister has taken considerable interest in this proposal and is now studying it from all its aspects.

Although we admit that this proposal is a notable one, yet we do not expect any useful results to be produced by its being carried through. For we do not believe that all cotton producing countries will accept to participate in such a conference. It is a well known fact that the policy of Great Britain is that all the cotton required by its spinning factories should be obtained from the British Empire itself. The British Cotton Syndicate is making earnest efforts to increase the areas under cotton in the various parts of the Empire. It is also common know-ledge that cotton production in the various parts of the Empire has increased several fold during the last ten years and will continue to increase from year to year. It is therefore unreasonable to expect that Britain or any country of the Empire will agree to participate in such a conference, of which the object is to limit production and not to increase it.

The policy of the United States of America, which is the greatest cotton producing country in the world, is to consume locally all the cotton it produces. This policy has succeeded to such an extent that the greater part of the cotton produced is now



being consumed locally, and the proportion of local consumption is increasing steadily. In the circumstances the U.S.A. cannot be expected to be inclined to limit its cotton production.

In the light of the above facts it will be seen that the policy of limiting production is not the one which we should adopt to reach our object. The only course open for us is to follow the policy adopted a long time ago by the U.S.A. which proved a success. Before adopting this policy the U.S.A. used to experience the same difficulties as those which we are now experiencing. The greater part of its cotton used to be exported to Great Britain. Liverpool and Manchester used to decide the price of American cotton. The Cotton Exchanges at New Orleans and New York were under the influence of manocurres planued in England. The whole situation changed when the U.S.A. began to consume locally the greater part of its cotton, and since then nobody but the U.S.A. itself had any control on the prices of the American cotton.

If we want a real solution to our difficulties, which are the result of the prices of our cotton being under the domination of others, we should at once try to consume locally all or the greater part of our cotton production.

In realization of this object the Government should draw up a practical policy to foster the cotton spinning and weaving industry in Tgypt. To draw up such a policy is no difficult task. can take the same measures as those taken by all advanced countries to foster the vital industries which are directly connected with the general wealth of the country. Some people may think that we mean that the Government itself should establish spinning and weaving factories or should give a considerable amount of money in the way of subsidies. No, that is not what we mean. The Government can, without committing itself to any expenses whatever, render great assistance towards the establishment of weaving and spinning industries in the country by issuing a law for the fostering of industries on the lines of the British Law regarding the fostering of British

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industries. This law lays down that the Government shall guarantee, with Banks, any company which fulfills certain conditions with regard to its formation. The amount of guarantee shall be equal to a considerable part of the capital of the company. All that the Government does is that it makes use of its financial confidence to assist the company, and in return for this the Government gets the company to offer sufficient guarantee, such as giving the Government a priority right should the company go bank-rupt, etc.

By such and similar measures the Government can very well encourage capitalists to invest their money in the establishment of cotton industries. When such industries have been established in the country, a considerable part of our cotton production will be consumed locally and our principal crop will no longer be under the domination of trade exporters and foreign banks.

proposal explained above. The root of the whole trouble lies in the fact that we are obliged to export our cotton to other countries, thereby placing our cotton under the domination of consuming markets.

The best solution which presents itself is that we should be the consumers of our cotton production."



CROP CONDITIONS

IN

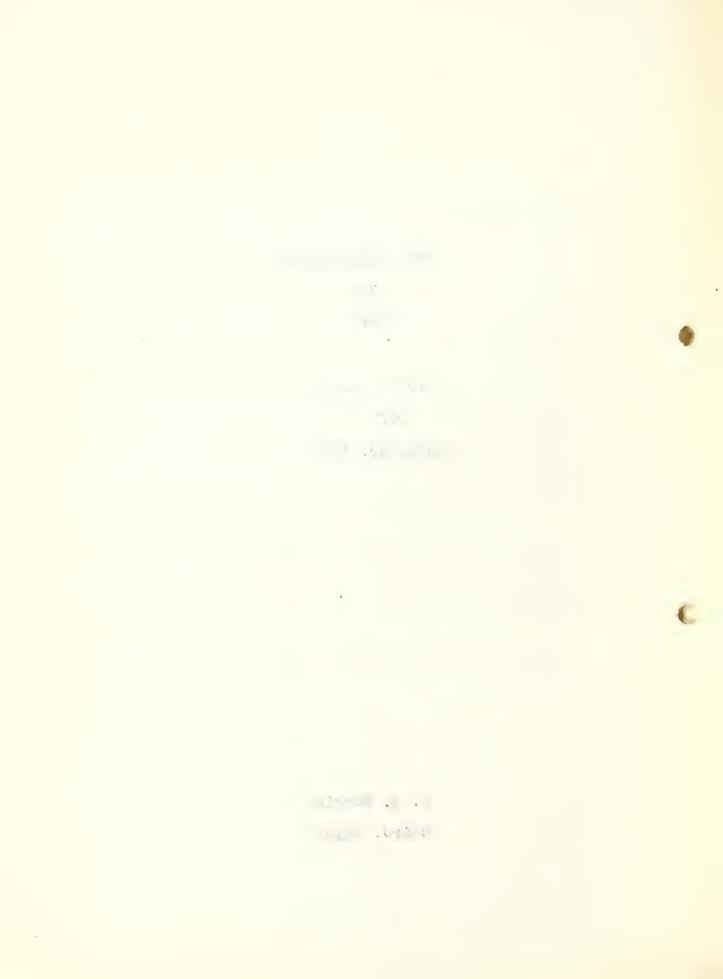
EGYPT

For the month

of

December, 1930

P. K. Norris Cairo, Egypt



The following is a summarized report of the Ministry of Agriculture on Crop Conditions in Egypt for the month of December, 1930:

Com

Maize (Nili): Weather conditions: favorable for harvesting. Harvesting: almost finished save in some small areas in certain districts. Cobbing, drying and storing are in progress. Yield perfeddan is ordinary.

Nili (Millet): Weather conditions: favorable for harvesting and drying. Harvesting: finished with the exception of some few areas in Assuan Koudiria. Cutting off cobs, drying and storing are in

progress. Yield per feddan is ordinary.

Nili Rice: Harvesting: completely finished. Threshing, winnowing and storing are in progress. The yield per feddan is expected to be more than the usual yield by about 12% owing to the favorableness of weather, adequacy of water and absence of pests.

Sugar Canel Teather conditions: favorable for maturity and harvesting. Pests: "Ome slight attacks by the stem-borer have been noticed in Galioubieh, Charkieh, Beni Suef, Minia, Assiut and Girga provinces. A slight attack by the mealy bug has also been noticed in Girga. No appreciable damage, however, has been incurred by the crop. Maturity of Crop: The greater part of the crop has been already matured. Cutting of some areas for local consumption and for native squeezers extricating molasses is in progress. The Kom-Ombo sugar factory started work on Dec. 18th. Other factories are expected to start work at the beginning of next month. The yield per feddan is expected to exceed the average by about 3%.

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Wheat: Weather conditions: favorable for germination and growth. Little rain fell during the month in Lower Egypt, causing no appreciable damage to its crop. Sowing, germination and growth: Sowing is over with the exception of some few areas in basin lands in Giza, Beni Suef and Assiut where it is still in progress. Sowing was delayed on account of belated supply of water this year, atering and manuring are in progress. Growth and ger-

mination are satisfactory.

Bersim(a kind of alfalfa, or clover): Teather conditions: favorable for the growth of the crop. and is inclined to be warm. The rain which fell during the month in Lower Egypt was favorable for cultivation. Sowing, germination and growth: Sowing of bersim in basin lands is already finished. It was delayed about two weeks in Assiut, Behera and Beni Suef on account of belated basin drainage. The taking of the first cutting is on the whole progressing. As to project lands in Upper Igypt, the taking of the second cutting in earlysown areas has been started. Watering and manuring of some areas in Lower Egypt are in progress. Ploughing of some areas in large cultivations has been started in preparation for cotton cultivation. Pests: None has been noticed.

Beans: Weather Conditions: favorable for germination and growth. The rain which fell during the month in Lower Egypt has only caused the falling of a few flowers. Germination and growth: Yowing is finished except in some few areas in basin lands of Beheira province where it is still progressing. Germination and growth are satisfactory. Fruits matured in some very early sown areas, and are supplied to the markets for local consumption. Cultivations are on the whole in the flowering stage. Manuring and watering of some areas are already done prior to winter closure. Pests: A slight attack by aphis has been noticed in a small area in Menufia province, but was successfully treated by means of spraying with nicotin sulphate.

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Barley: Weather conditions: favorable for germination and growth. No appreciable damage has befallen the crop through the rain which fell during the month in Lower Egypt. Sowing, germination and growth: Sowing is finished except in few areas in Beheira basin lands. Some areas have been manured and watered prior to winter closure. Germination and growth are satisfactory. State of sowing at Mariut is now below the average owing to the inadequacy of rain which fell during the month. The growth of last year's crop was satisfactory owing to abundance of rain. Pests: A slight attack by aphis has been noticed in Gharbia.

Helba (a form of clover used for greens):
Teather Conditions: favorable for germination and growth. Sowing, germination and growth: sowing is finished except in a few areas in Beni Suef basin lands. Early-sown areas have started flowering and fruit formation. Gutting of limited areas for local consumption is in progress. Growth is satisfactory. Tests: None has been noticed.

Lentils: (a type of bean grown for food): Weather conditions: favorable for growth. Sowing, germination and growth: Sowing is finished. Growth is satisfactory. Farly-sown areas have started flowering. Pests: None has been noticed.

Onions: "eather conditions: favorable for germination and growth. Transplanting, germination and growth: Transplanting is finished except in some small areas in Assiut where it is still progressing. The bulbs have started forming in some early sown areas. "eeding, manuring and watering are in progress. Pests: None has been noticed.

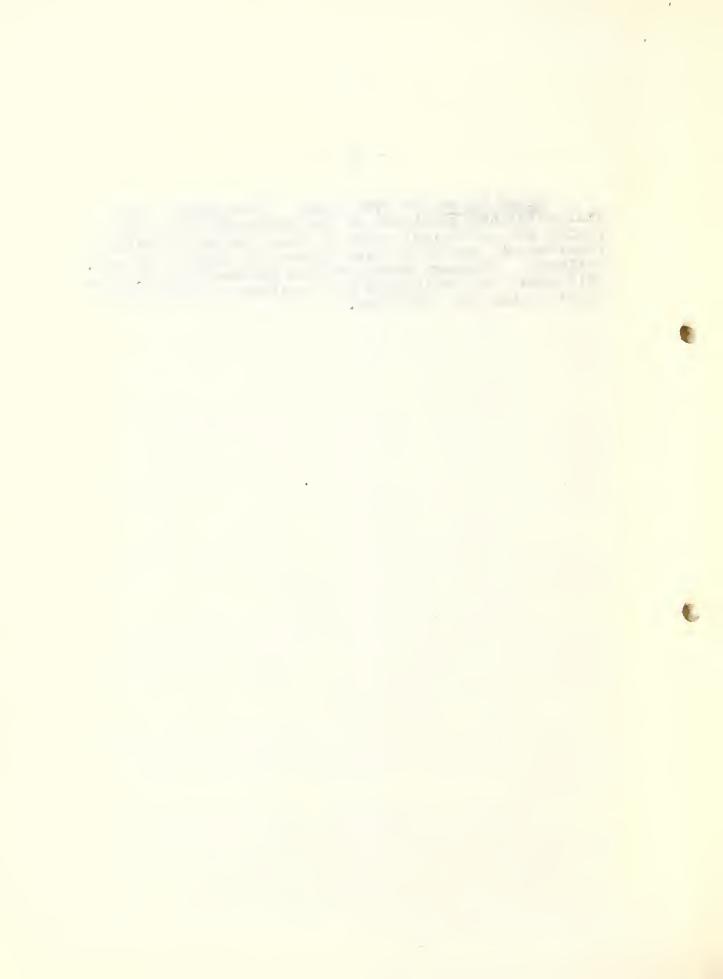
Flax: Weather conditions: favorable for growth. Towing, germination and growth: Late sowing is finished. The crop has been manured and watered prior to "Sharaqui". Farly-sown areas have started flowering.

State of Irrigation: The following report on the state of irrigation from Nov. 21 to Dec. 20 has been received from the Ministry of Public Torks:

Lower Egypt: Irrigation: The supply was available during the whole period and all the canals were given sufficient water to meet the cultivation requirements before the winter closure. Drainage: Drainage condition was good.



Upper Egypt: The Sefi Zone: Irrigation: The Nile rotations continued at the commencement of this period, and sufficient water to meet the cultivation requirements was then given before the winter closure. Drainage: Drainage condition was generally good. The Mili Zone: The irrigation and drainage of the Middle gypt Basins was completed.



EDITORIALS REGARDING

THE

GOVERNMENT COTTON POLICY

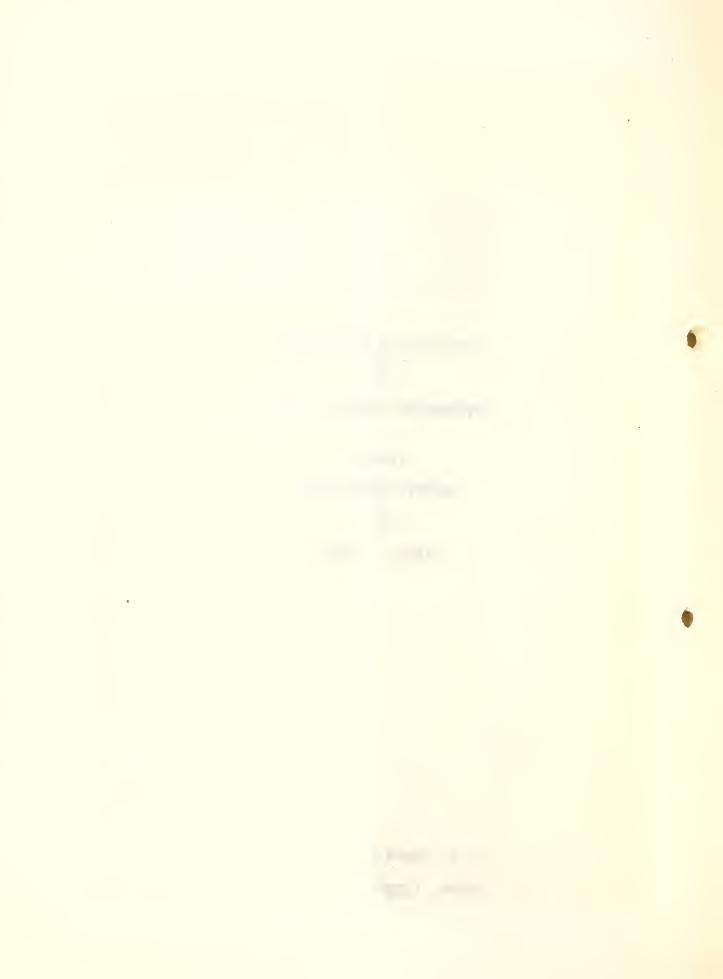
from

NATIVE NEWSPAPER

20

CAIRO, EGYPT

P. K. Norris Cairo, Egypt



Cairo, Lgypt

Jan. 13, 1951

The question of what to do with the Cotton now held by the Egyptian Covernment continues to be the leading subject for newspaper editorials. It is now a known fact that the Government is working on a policy to be submitted at a meeting of Government Officials and Cotton spinners of Europe, to be held in Cairo January 26, 27, 28 and 29, 1931.

The Native Press is very free in its

advice regarding this question, and one is led to

believe that some of the rumors may have an element

of truth in them. The enclosed editorials from

the native newspapers sum up the question very well.

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MINOTHEM INCOME

In an editorial article entitled, "The Government Cotton—British Imperials ism is responsible for the Complications of the Economic Crisis," Wadil Nil says:—

ys:—
"As a result of a rumour, the source of which is unknown, to the effect that correspondence is now being exchanged between the Egyptian Government authorities and certain foreign quarters on the subject of the sale of Government cotton, our market presented quite an animated appearance at the opening on January 5., With this rumour prices advanced by 18 points despite the general stagnation of trade and despite the general tendency to a new fall in prices. Everybody can therefore see, in the light of this phenomenon, that the several million kantars of Sakel cotton lying in Government stores at Wardian are a heavy burden on the market and are responsible to some great extent for the low prices obtainable for our cotton. We have no wish to ascertain the source of this rumour, for the ocean of the Cotton Exchange is too wide and its currents are too strong and rumours are so many that they form a great part of its daily life. But we cannot by any means ignore the fact that the rumour referred to above was circulated inniediately after the following two happenings: - (1) The Egyptian Government again issued instructions, to the ('ustoms Administration to cease collecting the additional tax on Russian imports. This was considered as an indication that the obstacles standing in the way of the conclusion of a commercial agreement between Egypt and Russia had been removed. Perhaps the said rumour was based on the fact that the conclusion of a commercial agreement between Egypt and Russia might lead to an understanding between the Egyptian Goverument and Agents of Russian industrial houses on the disposal of the Government cotton.

(2) The Higher Consultative Council in the Ministry of Agriculture is now considering a proposal to the effect that the Government should retain the quantities of cotton purchased by it for five complete years and that these quantities should not be included in the official estimates of the cotton crop.

"Probably the rumour in question was derived from this proposal, the object of which is to rid the market for a period of five years of the Government cotton held

in store. Whatever may be the reasons for this rumour, which caused an advance in prices on January 5 despite the general stagnation of commerce there is not the slightest doubt that the manceuvres made during the last five years by Lancashire to monopolise Egyptian cotton are responsible to some extent for this great accumulation of the Government cotton.

"Here is the explanation: "Russia wanted to import from Egypt considerable quantities of good varieties of cotton. With this object in view factories in Russia introduced new looms for the spinning and weaving of long staple cotton. Russia was fully alive to the fact that the cotton grown in its territory. especially in Turkestan, was insufficient to meet all its requirements and so it decided to import long staple cotton from Egypt. But no sooner did Lancashire know of the intentions of Russia to buy cotton from Egypt than it kicked up a dust and said that Odessa was trying to take the place of Liverpool. In order to cive its cry an impressive effect it asserted that the Russiaus wanted to take the purchase of cotion as a means whereby to spread Bolshevism in the Valley of the Nile. This mandeuvre met with success and the Russian Agents withdrew from coming into direct touch with Egyptian markets and were obliged to obtain Egyptian cotton from Lancashire through their Commercial Agency (Arcos House) in London which was destroyed by Lord Brentford and which was subsequently obliged to move to Constanti-nople. The revelatous made by "Arcos House' showed that the English used to make great profits from acting as com-missioners between Egypt and Russia in the cotton trade and that Sudanese egtton used to be consigned to Russia from

Lancashire as being Egyptian cotton.

"After these revelations the Soviet (iovernment approached the Egyptian

Government on the subject of the establishment of a permanent Russian Agency in Egypt. The Soviet Government accepted all the necessary conditions to safeguard Egypt against the spreading of propaganda for Bolshevism. But Lancashire again rose and repeated the same tune as before. This tune was played ing place between the Russian Agents and the Egyptian Government on the purchase of large quantities of Government cotton.....



SALE BY BARTER.

In an editorial article entitled "Egyptian Cetton and its Exchange for Industrial products" Al Missa says:

"In a letter addressed a few days ago by the Ministry of Agriculture to the Ministry of Foreign Affairs, reference was made to the agreement which is about to be concluded between Germany and Rumania with regard to the exchange of Rumanian maize for German machinery and materials required by Rumania. The Ministry of Agriculture has suggested in its letter that part of the Government cotton now lying in stores at Wardian should be exchanged for earthin machinery and materials required by the various Government Departments. The suggestion of the Ministry of Agriculture appears at first sight to be a notable one. But the point is not in the exchange itself, for the exchange of products between one country and another has become a common thing nowadays. The point is that the exchange should be made in such a way as to enable the country to get the greatest benefit possible and the Government to recover a considerable part of the

loss sustained by it.

"There are several ways of attaining this object. One of these ways is that the cotton should be exchanged for useful machinery by which both the Govern-ment and the public can benefit in a short period, such as the machinery required for the establishment of weaving and spinning factories and of the various agricultural industries and for the generation of electric power from the Assuan dam and other modern machinery employed in all sorts of industries. Although Egypt is an agricultural country which depends on its agricultural products, yet agricultural industries are almost non-existent. It produces cotton but it buys its own requirements of cotton manufactures from abroad at prices several times as much as those of the raw material itself. There are several waterfalls in the country which could be made use of for the generation of sufficient electric power to run the Egyptian State Railways and quite a good number of factories,"thus doing away with the incportation of coal from abroad.

"So if the stored Government Cotton was used for such productive purposes, the loss sustained by the. Government would be made good in a short time and the Government would have laid a strong foundation for the creation of an industrial movement and great sources for the

national wealth.

"Russia was the first country to follow the policy of the exchange of products. It imports its requirements of machinery and materials from every country with which it can come into touch and pays the price in local products such as wheat, timber, leather and all kinds of cereals. News came yesterday that a bargain is now being arranged between Russia and Brazil for the exthange of wheat for coffee.

(The writer then proceeds to dwell at length on the procedure followed by Russia in exchanging its local agricultural products for other countries' industrial

products.)

"The application of the principle of the exchange of products is becoming more prevalent every day throughout the world. So there is no reason why Egypt should not apply this principle. But it should be pointed out that before its application Egypt should draw up an extensive permanent economic policy. Then only can the principle of exchange be employed to support this policy.

"Another important point of which sight must not be lost is that the better his principle is employed the more benefit will be derived by both the public

I the Government."



THE COTTON PROBLEM.

"AL MOKATTAM" OFFERS A SOLUTION.

GETTING RID OF THE GOVERNMENT STORE.

In a leading article entitled "Government Cotton and its Effect on the Market.--A proposal" Al Mokattam says:

"A short time ago we published an objection raised by a certain well known economist to the attitude of the General Produce Association in including the Government cotton purchased last year in the estimates of the cotton stored at Alexandria. This inclusion dilates the figures representing stored cotton with the result that it causes pressure on the market and leads to fall in prices while in fact the Government cotton is not offered for sale like the other cotton stored

by merchants or farmers.

"Whether or not Government cotton is included in the figures representing the amount of cotton held in store, the fact remains that its existence where it is, without any restriction or a definite policy, is bound considerably to affect the market. For consumers consider it as being offered for sale, though nominally and not actually, especially seeing that the Government has not declared any definite policy with regard to its cotton. A few days ago a conversation took place between us and a prominent cotton inerchant on this subject. pointed out that considerable harm is bound to be done to Egypt if the matter is to be left undecided. Egypt, he added, ought to face the difficulty and to try to find a solution. He suggested that the Government should do the same thing as was done by the Government of Cuba when it set aside one million tons of stored sugar and declared its intention that it would sell this quantity in small parts in a period extending over five years. The Egyptian Government, he said, can do the same thing and declare that its stored cotton is not offered for sale and that only a part of it, say one sixth, will be sold each year. Hence everybody will know that five sixths of the Government stored cotton, should not be included in the cotton estimates of this year and so forth. By such a measure the market will be relieved of the present pressure which was the cause of the objection raised by several agriculturists and economists to the estimates made by the General Produce Association.

"But it remains to be seen whether the stored cotton can be kept in store for five or six years without being exposed to damage or deterioration in quality. The prominent merchant referred to pointed out that this probability can easily be remedied. The Government, he said, can sell a certain quantity of its stored cotton every year and buy half of this quantity of new cotton instead. Naturally this will involve a little bit of additional expense for commission, transport etc.; but this small additional expense is nothing compared to the loss caused by the pressure of stored cotton on the market.

"The above proposal seems to be a sound and practical one and we hereby submit it to the Government authorities concerned for study and consideration.

"The Government is also well advised to discuss the possibility of the exchange of cotton for certain materials of which we are in need such as coal, chemical manure and timber. The principle of exchange of one commodity for another is becoming more prevalent every day as a result of the fact that the amount of rold now in currency is insufficient to meet the world's requirements, it being remarked that two-fifths of the total amount of gold is being stored in two countries only, namely, the United States of America and France.

"In this connection we wish to repeat our suggestion that the Government should invite important cotton producing countries such as the U.S.A., India, Peru and the Sudan to a conference to be held in Cairo to consider the possibility of coming to an agreement on a general policy to be adopted with regard to cotton Aroduction - a policy to realise co-operaion among these countries for the protection of their interests and to put an end to competition in increasing production to the interest of other countries. It is indeed gratifying to learn that we have already embarked on a practical solution to our cotton difficulty. This solution will take a long time before its benefit in full can be realised. The Egyptian Cotton Spinning and Weaving Company

has invited journalists to visit its new big factory at El-Mahalla el-Kubra which has already commenced work, The result of this landable step is that a quantity of our cotton will-be consumed locally and a new industry has been introduced which will provide work for a considerable number of labourers."



COTTON CONDITIONS

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CUDAN

The lonth of November, 1930

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P. K. Norris Cairo, Egypt

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Cairo, Egypt
January 13, 1931

The Central Economic Board of the Sudan Government in its monthly Report of December 1930 reports the following regarding cotton in the Sudan.

- l. Kordofan Province. October condition: Picking has started at Birks in the Central District and in the Western Jebels District. The Report states that the crops in the Eastern Jebels and in the south part of the Province are much better than last year. However, picking was not general in this area in October. The market in the south area will open in November, while at Talodi it opened October 20th. This is all rain and flood grown cotton. The Nubar Mountains Province is included in the Peport of the Kordofan Province.
- 2. Dongola Province. November condition: At Ghaba picking is under way. At Kalud the crop is good, and picking continues. The weather has been very favorable to picking around Nuri and good progress was made during November.

In the Berber Province north of Khartoum, picking has progressed rapidly during November. The cotton in

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this area is picked and stored in the seed. Ginning takes place later in the season.

A correction of the October Report for the Kitiab district is made in the November report. The figure of 2587 Kantara reported picked during October should read 1071 Kantars. (Grounds for a Congressional investigation). All the above cotton is grown by irrigation with water supplied from pumping stations along the Nile.

- 3. Labor is reported as being plentiful in all the cotton growing areas this year. While no cotton was picked during November in the Gezira area, labor was reported as plentiful. The daily wage is from 5 to 6 Piasters (25 to 30 cents). Locusts (grasshoppers) were reported in the plains along the Red Sea, but so far the only area to suffer from this pest is the Tokar District. The damage is very light, however.
 - 4. The following statistical report is given:

COTION PROGRESS R PORT

November 1930

Season 1930-1931

Area:		Amount picked:	ed crops:	
	1929-1930	1930-31		
IRFIGATED COTTON kellaridis:	Feddens	reddans	Kantars	Kenters
Gezira	174,183 45,000 55,456 843 3,960 	20,605 60,000 44,568 550 2,350 N11 303,491	Nil Nil Nil Nil Nil Nil	438,545 66,966 53,968 64,000 1,650 4,700 Nil
American:				
Berber Province	3,426	3,258	6,339	8,825
Dongola Province (Gov't. Pumping Stations		2,295	14	6,950
Zeidab	. 5,230	5,696	22,138	22,784
Private Estates	6,807	5,000	Wil	15,000
TOTAL	17,648	16,159	28,491	53,559



	Area:		Amount picked:	ed crops:
	1929-30	1930-31		
	Feddans	Feddans	Kantars	Kantars
RAIN-GROWN COTTON				
American:				
Northern rovinces:				
Blue Nile	1,930 400 5,000 250	150 1,250 2,100	Nil Nil 19	95 795 3,238
Couthern Provinces:				
Kordofan Upper Nile Mongalla Miscellaneous	30,000 9,100 12,000	43,000 5,333 9,500	9.804 N11	52,380 2,549 8,689
TOTAL	58,680	61,333	9,823	67,946
GRAND TOTAL	355,770	380,983	28,314	751,834

The total yield for the season is placed at 751,334 Kantara, while it was estimated at 832,131 Kantars in the October report. No reason is given for this reduction.



Copy Morled to Washington PDec. 2, 1930

PRILIMINARY REPORT

ONTHE

PROPOSED AGRICULTURAL BANK

THE PARTY NAMED IN COLUMN TWO IS NOT THE OWNER.

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E G Y P T.

P. K. Norris

Senior Marketing Specialist

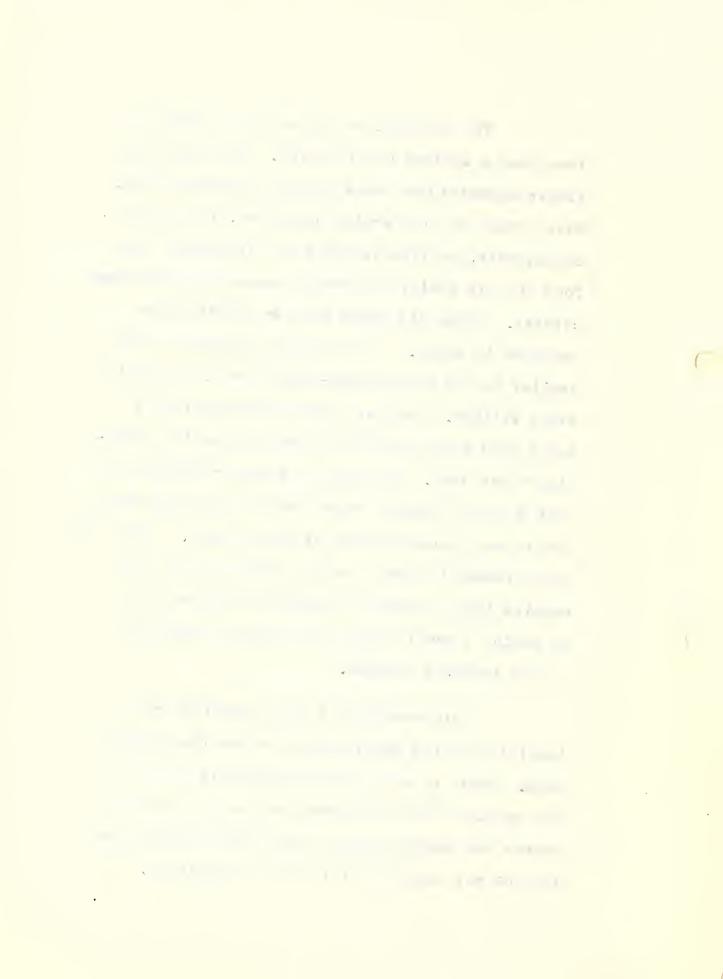
Cairo, Egypt

Dec. 1, 1930

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The question of Agricultural Credit has long been a serious one in Egypt. The fellah has always depended upon some one for financial help. Every phase of his farming operation, his planting seeds, tools, fertilizers, water for irrigation and food for his family and cattle depend upon borrowed capital. Often his needs are few and the loan required is small. The principle source of this capital is the Greek money-lender who is found in every village. Another source of loans is the large land owner who will often finance the fellahin on his land. The rate of interest charged by this type of "Banker" runs from 20 to 30 per cent and in many cases as much as 50 per cent. money lender is also a cotton merchant who will require that the loan be repaid in cotton there by making a profit from the cotton in addition to the interest charged.

This condition is the result of the inability of the small farmer to use the regular bank. Banks do not care to make small loans at the regular rate of interest and as they cannot charge the unfair rates of the local money-lender they do not encourage this type of business.



Several years ago the Government attempted to remedy the situation by assisting in the establishment of a bank to make loans direct to the fellahin. It was found that the bank could not make money on the small loans, it was, therefore only a short time until the bank was loaning money to the larger and more substancial farmers and ignoring the masses.

About this time the Government begin to sell seed and fertilizer through the Ministry of Agriculture direct to the fellahin. This proved so successful that it was suggested that the Government make loans direct. This was also successful and is probably responsible for the agitation for an Agricultural Bank, controlled by the Government.

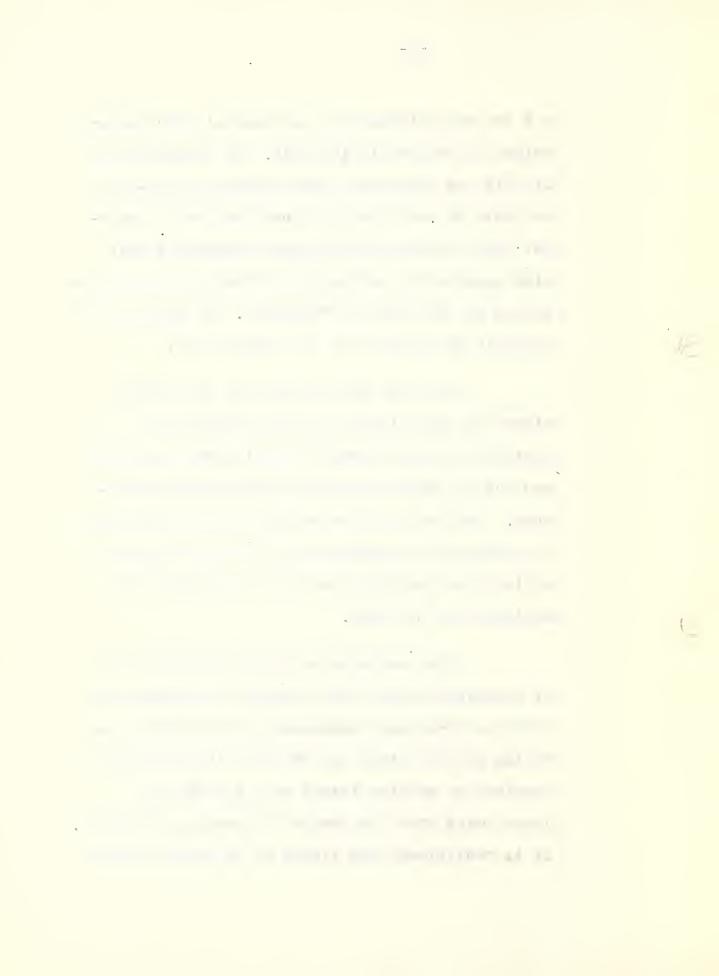
The proposed Agricultural Bank is in reality a joint-stock Bank in which the Government takes one half of the capital stock provided the capital stock does not exceed L.E. 1,000,000. The Government further agrees to loan the Bank not to exceed L.E.6,000,000 as operating capital at a very low rate of interest, it also guarantees

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cribed by private individuals. In consideration of this the Government must approve the By-Laws and acts of the Board of Directors and the General Stock Holders meetings, the Government will also appoint the manager of the Bank and be represented on the Board of Directors. In this way it controls the affairs of the institution.

The loans of the Bank are to be made direct to the fellahin for the purchase of Agricultural machinery, for fertilizers and seeds and for the development of irrigation and drainage. The bank is also authorised to make loans to cooperative organisation for the purchase of agricultural supplies and for the marketing of agricultural products.

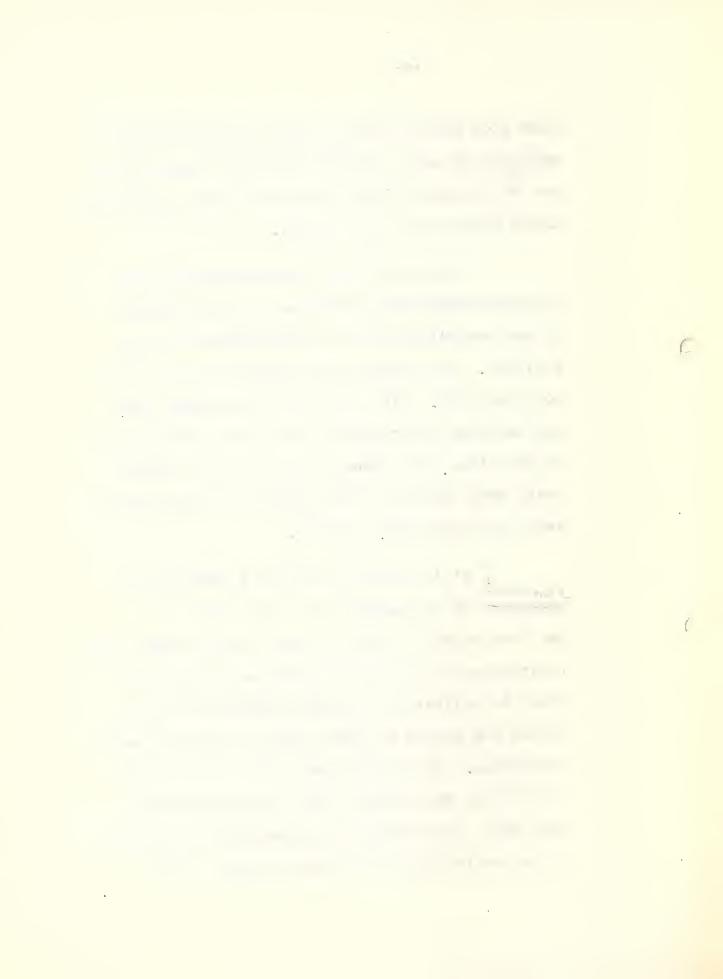
The advantage of this particular type
of organisation over the previous arrangement is
that the Government guarantees the interest rate
on the capital stock and the Bank is, therefore, red
required to confine itself to the making of
large loans with the thought of earning dividends.
It is recognised that little or no profit can be



made from small loans and that if the Bank were required to earn a dividend it is doubtful if it can do so when a Targe per cent of its outstanding loans amount to 3 to 5 pounds.

The copy of the Decree issued by the King authorising the Government to participate in the organization of an Agricultural Bank is enclosed. This Decree was issued on the 18th of November 1930. Since that date the Mixed Court has accepted the clause relating to article 727 of the Dixed Civil Code and 601 of the Dative Civil Code regarding the rights of foreign residence and real estate owners.

It is urged by political leaders and seconomics of the country that this Decree be put into effect at once. Steps are now being taken to organize the Bank as quickly as possible in order to relieve the economic condition of the Fellah and supply him with funds for next season operations. It is recognised that the plan of the Bank to deal direct with the fellahin will meet with a great deal of opposition on the part of the native and Gre k money-lender. It is



of its operation to wan a 5 per cent dividend on its subscribed stock, it is, therefore, possible that the Government will have to make up a large per cent of the dividend.

The Government leaders back of the movement have made a thourough study of the question of Agricultural Credit in European countries especially in Italy and Great Britain. Its success will of course depend upon its appeal to the fellah. If he is willing to break away from his present source of financial assistance and accepts the loans offered him by the agricultural bank the scheme will no doubt succeed, however, if he continues to use his present source of credit it is likely that the volume of business done by the Bank will be so small that it will be unable to earn a fair dividend. In this case the Government is likely to become weary of paying the deficiency after a few years. success of the whole therefore, depends upon the use made of the Bank by the fellahin.

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TRANSLATION

Decree Law No. 50 of 1930 authorising the Government. to participate in the organization of an Agricultural Bank.

WE, FOUAD I, KING OF EGYPT;

Refering Our Rescript No. 70 of 1930;

Our Minister of Finance having proposed and Our

Council of Ministers having seconded:

ICOUE

Art. 1.- The Government is authorized to participate in the constitution of an Egyptian corporation with a view to create an Agricultural Bank which would have for its object principally the following operations:

Advances for the needs of cultivation and harvest, for the purchase of agricultural machinery and cattle, for the improvement of soil, advances on harvests, advances to the cooperative societies, instalment sale of fertilizers & seeds, to help the creation and development of all institutions useful to agriculture and agricultural credit.

This participation will consist in the subscription of Bank stocks to the extent of half the capital subscribed, provided the amount of the subscription.

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tion does not exceed L.E. 1.000.000,

- Art. 2 The Government is furthermore authorized:
- 1- To guaranty to the stock, representing the original capital of the Bank, under the conditions stipulated in the Statutes, a dividend of 5 per cent of their face value.
- 2 To grant to the Bank advances whose total amount should not exceed L.E.6.000.000. These advances will be productive of interest at a rate to be agreed between the Government and the Bank. The repayment of the said advances cannot be collected by the Government before the liquidation of the Bank.
- Art. 3.- The sums required for the stock and for the advances named in the preceeding article will be drawn from the reserve fund of the State.

 Art. 4.- The Statutes of the Bank shal be subjected to the Government's approval. They shall stipulate principally:
- 1- That the Government shall be represented in the Council of Administration of the Bank in a proportion equal to its capital stock.
- 2 That the Administrator-Deleguate or the Agent entrusted with the management of the Bank shall be appointed by the decision of the Council of Ministers.

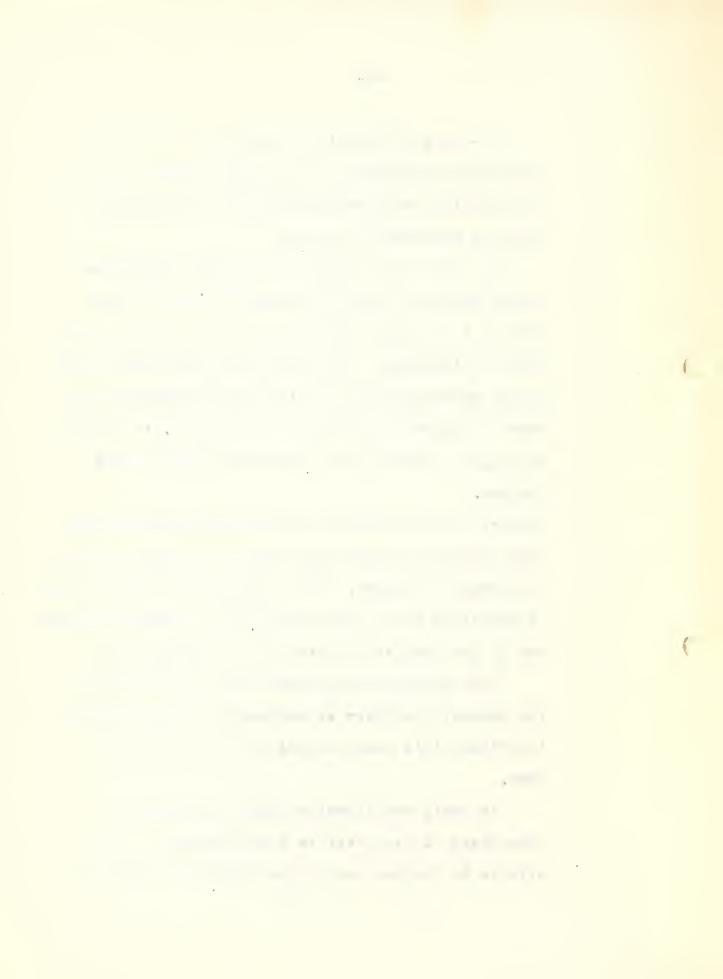
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- 3 That no decision contrary to the present
 law shall be adopted by the general assembly of the
 Bank and that any modifications of the Statutes
 shall be approved by Decree.
- 4 That the Government shall be allowed to revise within 10 days any decision which in its opinion is likely to compromise seriously the interests of the Bank. In this case, the decision shall not be executed unless it is again approved by the Board of Directors or the "tock holders, as the case may be, by a majority of voices according to the by-Laws.

Art. 1-. The Government's assets represented by the loans granted to the Bank under the present law are preference mortgages. This preference mortgage shall be exercised on all the effects and properties possessed by the Bank at the time of its liquidation.

This preference mortgage shall not apply to the special creditors as defined by articles 727 of the lixed Civil Code and 601 of the Native Civil Code.

It shall not likewise apply to holders of recognized rights prior to the purchases of real estates by the Bank or rights that have arisen as



a result of this purchase.

Art. 6. The advances granted by the Bank for costs of cultivation and harvest as well as the sums due to the Bank for purchases of fertilizers must be guarantied by first mortgate which will rank with that established in paragraph 4 of article 601 of the Native Civil Code and in paragraph 3 of article 727 of the Mixed Civil Code and shall be recovered from the selling price of the crop of the year in which the said advances have been made or the said purchases performed.

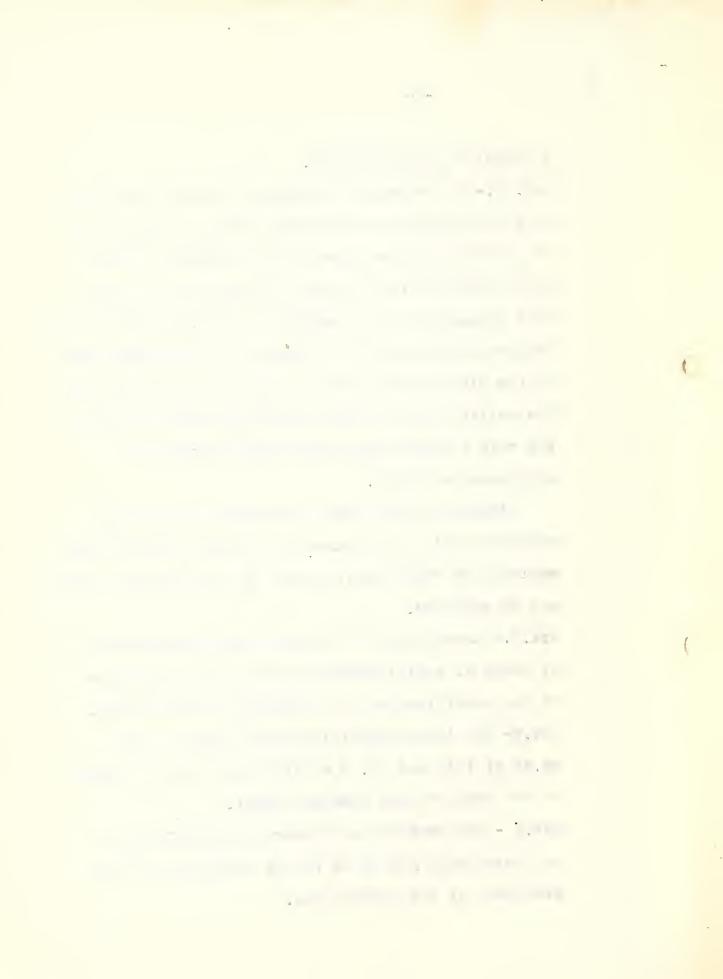
Advances granted for cultivation and harvest expenses shall be presumed to have been effectively employed to these ends; proofs to the contrary shall not be admitted.

Art.7.- Amounts due to the Bank shall be recovered by means of administrative seizures in pursuiance to the provisions of the Decree of 25 March 1880.

Art.8- The imperciptibility established by laws

No.31 of 1912 and No. 4 of 1913 shall not be applied by the Bank for the recovery loans.

Art.9 - Our Minister of Finance and Justice are entrusted each one in so far as concerned in the execution of the present law.



Our Minister of Finance shall take any arretes necessary for its execution.

Made at Keubbeh Palace, the 27th Gamad Tani
1349 (18th Nevember 1930)

FOUAD

By the King

President of the Council of Ninisters

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The Minister of Finance
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The Minister of Justice
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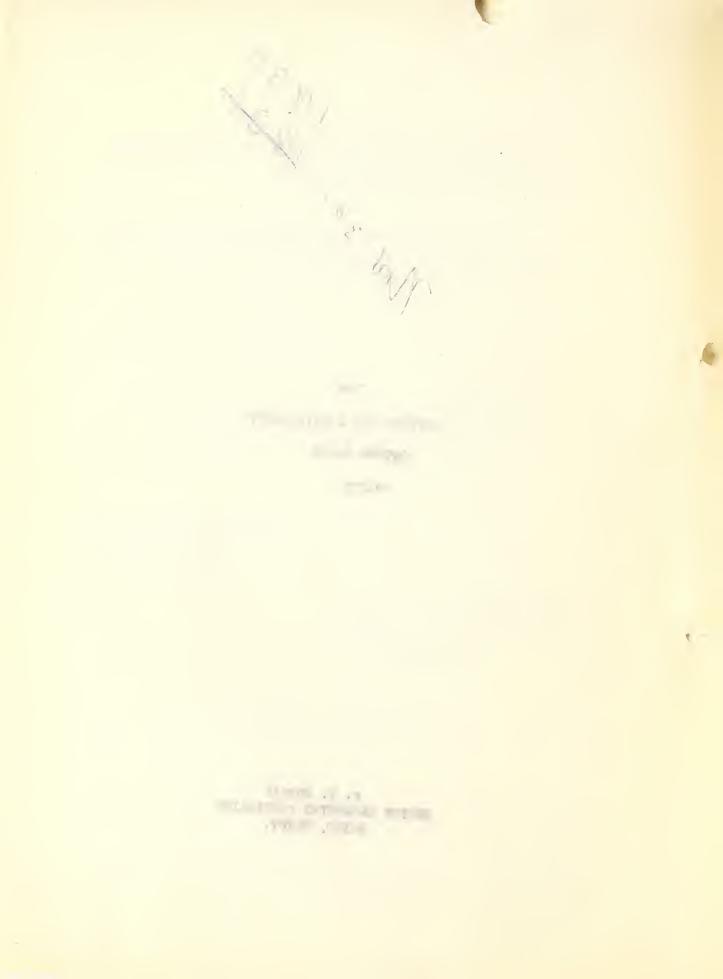
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COTTON SELECT

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P. K. BOTT IS SEVICE MARKETING OF CIALIST G IRP, BENET.



The present position of the Egyptian Government with regard to its cotton stocks is very much as it was a year ago. At that time the Government had about L.T. 15,867,000 of its reserve fund invested in approximately 3,000,000 kantars of cotton worth at maket prices only about 50% of this amount.

Early in 1930, the Government focing a declining market become concerned about the cotten mituation in general. The 'injury of inene made a study of the whole cotten problem' with a view of recommending a stuple Covernment policy. This study was completed in October 1930, and approved by the Council of Mini term a few days later. In addition to recommending a redustion of production costs, improvement of quantity, ore econocic lune of ter, lower rate and Covernment assistance in financing the grower, a review of the various foreign Government interventions in the super, and other commodity markets was given.

The memorandum pointed to all Government interference as a failure and recommended that the Egyptian Coversment the ap farther action in the cotton narket. Bacouraged by this, the cotton trade at once started a movement for a statement from the Government regarding its cotton s le policy. The press was filled with letters, statements and editorials, praising the Linistry of "inance's memorandum and pointing out the value of Coverment statement as to its sales policy. Several plans were suggested. of the favorite was to have the Government accounts it would sell ne cotton prior to Angust 31, 1981, Long editorials pointed out that the priest would at ence advance, if such a state out was di. and that then the existing market conditions were due to the fair that Coverment cotton would be duried at any time. This prop and r sulted in a mentia of delamate of the laternational for ration of Vester Catton Tpinners with the Government Officials and local cotton trade men, in Cairo, Jamery 36, 1931. A three day session was held and more other magnestions, the Consittee recommended that the Cover cent coil no cotton until after Angust 71, 19 1, and after that date that it cell only a fixed a ount such day: the total nat to exceed 500.000 kentars in way one year. Their thin plan, it would require six years for the Government to sell its cotton.

A short time after this meeting, the Gov reset oullish a state ent in which the acmirance was given that the Government would not ain intervene in the mericat and that it would discuss of not are than 500.000 kantara annually. It was also stated that

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^{*} Lemon adum on the bosis of a Stanle " tten Tolley - Ty A. Abdul ahlab, Und r-Secretary of State.

and a secretarial framework [in] building belongered A THE RESIDENCE OF THE PARTY OF Marketine and the language of the second of and the case there are not the state of the the market are present the could be not the part of the party of the p to provide our paletter, allegation but absorbly arreited of would be suffered by the gulf her had not employed a labour. consequent over morte designs, reading parties of a of the fires. the Alice II was not been at the principle of the are complete all figures and are a complete and the artists the THE RESERVE ASSESSMENT ASSESSMENT OF THE PERSON NAMED IN THE RESERVE AND ADDRESS OF THE PARTY ADDRESS OF THE PARTY AND ADDRESS OF THE PARTY AD which the real sects have a little of the party of the same and the second of th The U.S. Advisor Control of the Assertation of the Conthe second of the second of th and the second s and the second control Dates option on the memory and led the state of the s also noted that the property of special property and the Landson the same of the sa

no s les would be ande prior to August 31, 1971, and that a les after that date gould be said only as the wrket could abour cotton. Very little was heard of the flovers at tooks during the structy. In forch, the Arrigal tural Tyndia to announced th t it had joined with the Alexandria Gener 1 Produce Association in a program of advertising Pryptian action in Turage. (The Agricultural Typidicate is a casi-political or unis tion of wealthy I and o nore. In the pist, this or mais than has exerted a great doul of influence and are probably ore responsible than any other from for the Soverement action in buying cotton. The "lex unitio General Produce Association is the spot cotton dealers! oranisation). An active progress for the une of gratin cotton in the "industrial centers of "prope" was outlined. The press at once took up a discussion of the pro re. The advanta as of "go tim over Americ n cotton was stres ed. It was also point a out that an increase in the n e of gystian sotton would be of so much value to the country that the Coverment, especially since it was the owner of large stacks, could well found to seend me cy on with a program. In a short tile, the Government amounted that it we working on a plan for advertising gyption cotton terms a its Idnistra and Consulates. In June, at Official want to Turope and for several weeks the rese carried news of the progress of his work.

About this time the Moviet Covernment of Mussi amened as a buyer of Egyptian Coverment stocks. The fact that the Egyptian Gov rement has no diplomatic relations with the Russians or that they had agreeded not to sell cotton u til after manst 31, 1981, did not struk in the way of a a le. The Cover a at took the position that since it was engaged in a pro ram for extending the u e of Try tian outton and since Russia as not a user of Try tian cotton but had been won over to Pryptien cotton by the advertising rogr -, the non ale agreement did not apply to mesis. The Cav rament. in spite of the protest of the cotton trade, sold a out 2 .000 bales to the Soviet Government. As a result of the oriticism of the Pussian sule, it we revealed that the Covernment had been from time to tile makin sales of its stoc's in Alexaniria. The press at once took up the matter and chir ed the inverment with a departure of its accounced policy. Protests and criticis came so fast that the Gov rament amounted that all sales made, including the Pussian a le, would be replaced kenter for kantar, fro cotto, on which the Covern int had node grover advances and were then foreclosing. In a few days it became so on tolk that the trade was not an much opposed to the The sian sale as it was to the mathod of sale. . . ile it is true the Justians had not bought from the Typtian Government before, it is not true that they were not users of g otion cotton. Poth Alexandria and Unrich firms had in past cold tisa cotton to 'ussia. "he r al objection to the s le was the first and the

which had not a sent of the same of the same sent of many of the facility of the plant along of Migdle about \$100 and \$100. and the second of the second s more or the part would be dealer to the part of will respect to the first or the party and the state of the party met , was or other where an item of store as who we will be the desired of the property of the state of the same of the s The second secon are an increasing a larger process of the total and the the transport of the state of t where were presented in the Toronto The State Confidence of the state to provide the company of the appropriate and the first water to THE RESERVE AND ADDRESS OF THE PARTY OF THE to provide the state of the particular parti made when the species are a record of the days provided the second of the latest the second of the second the beautiful transmission or well that it is surrough a fine or ment and the public substitution a new last a six public and at the state of the same of the s to oppose the last the last the same process and same 9-1-1

the same of the sa will start out that have not been placed to be a supply to be a su the second secon a large and many recommendation of the sale of the part of the factor for high the pull of the lot with an over 1 at he was not 14 mate that and nest one to store a for one of the Table to be and the confident to and the second of the party of woman of the or electric to all recovery also be an array the same of the sa no to recollect any to bloom a plant description of the same IN THE PARTY AND THE PROPERTY AND THE PARTY more to proceed the processing and the sales of the color output and the the first of the second of the and the same and a section of the state of the same the same of the sa Notice of the control of the last to be a set of the parties of the same of the same of the same and the same of the s and the control of the part about any place of a party was and the and the state of the same of t and the state of t the contract of the contract o The state of the tale of the sale of the s usual commission was not paid to the local trans.

As a part of the progress for extending the new of a time cotton, the Government announced that it could done its cotton at mill centers in Europe. This manual and have the forth the until protests with the result that the Government one more backed up and announced that no more unsold cotton and he sipped out of the country. This is a ling to the trade well the local warshouse owners.

Just what the 1832 sale policy of the Mgyptian Government will be is hard to say. Wader the present ith the Intern time 1 Ver retion Committee, they can sell as much as 500.000 kenter before section 1,1923. In view of the statement we arding the quain cales, this amount on it be increased pever I times if 'I'm were m de to "no users of 'y t n cotton". Anthr in the is the of trades or exchange of cotton for other con odities, as t, copp r, lunder and coul. The Tryptoin State miliar cold use both so I and lu ar and it is postile the it is ant will true sotton for these it so If our and exclusion is le, it is safe to say that the Government will hold that exchanges ar and include is the ore last ith spinners. In view of a sovern int etion. it appears that the Government may coll a much as [77.000 botters to the old were of apption east on and as cach as pagettly to and users. In adultion, the cover of la free to enter into a trade of excorage with my on which is received intract to Terrot.

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